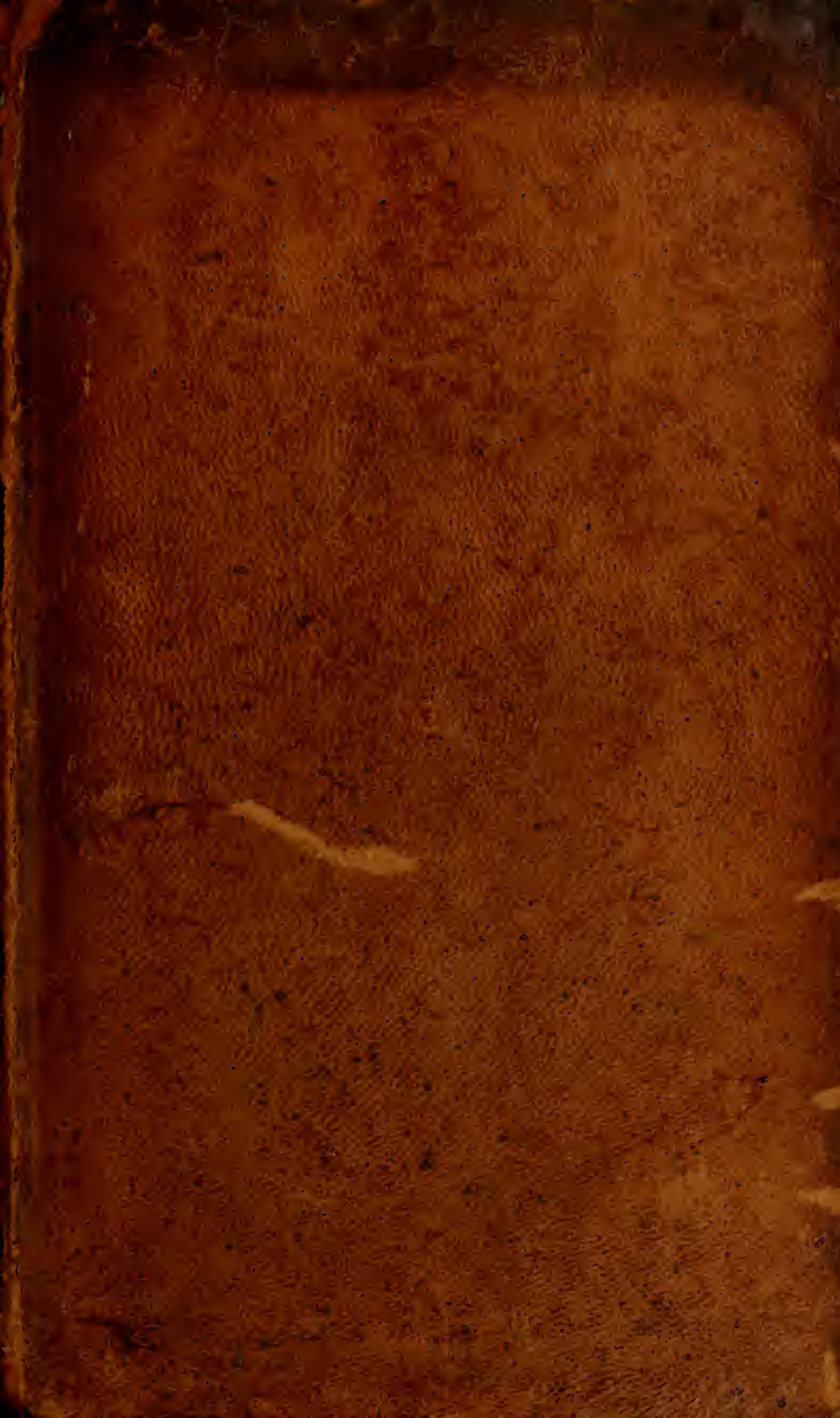




LIBRARY
OF THE
Theological Seminary,
PRINCETON, N. J.

RARE BOOKS

Case, 5CC
Shelf, 1184
Book, v. 3



Part of the library be-
queathed to the Theological
Seminary by E. Bourne







6 Mar 1891

THE
CONGRESSIONAL REGISTER;
OR,
HISTORY
OF THE
PROCEEDINGS AND DEBATES
OF THE FIRST
House of Representatives
OF THE
UNITED STATES OF AMERICA.

NAMELY,

NEW-HAMPSHIRE, MASSACHUSETTS, CONNECTICUT, NEW-YORK, NEW-JERSEY, PENNSYLVANIA, DELAWARE, MARYLAND, VIRGINIA, SOUTH-CAROLINA, and GEORGIA.

Being the ELEVEN STATES that have RATIFIED the CONSTITUTION of the GOVERNMENT of the UNITED STATES.

CONTAINING, AN IMPARTIAL ACCOUNT OF
The most interesting SPEECHES and MOTIONS; and accurate Copies of remarkable PAPERS laid before and offered to the HOUSE.

TAKEN IN SHORT HAND
By THOMAS LLOYD.

VOLUME III.

NEW-YORK:
Printed by HODGE, ALLEN, and CAMPBELL,
And for T. LLOYD, the Proprietors.

M,DCC,XC.

PENNSYLVANIA,	{	George Clymer,
		Thomas Fitzsimons,
		Thomas Hartley,
		Daniel Heister,
		F. A. Muhlenberg, <i>Speaker.</i>
		Peter Muhlenberg,
DELAWARE,	{	Thomas Scott,
		Henry Wynkoop.
MARYLAND,	{	John Vining.
		Daniel Carroll,
		Benjamin Contee,
		George Gale,
		Joshua Seney,
		William Smith,
VIRGINIA,	{	Michael Jenifer Stone.
		Theodorick Bland,
		John Brown,
		Isaac Coles,
		Samuel Griffin,
		Richard Bland Lee,
		James Madison, jun.
		Andrew Moore,
		John Page,
		Alexander White,
SOUTH-CAROLINA,	{	Josiah Parker.
		Edanus Burke,
		Daniel Huger,
		William Smith,
		Thomas Sumpter,
GEORGIA,	{	Thomas Tudor Tucker.
		Abraham Baldwin,
		James Jackson,
		George Mathews.

Mr. speaker and 25 other members, viz. messrs. Foster, Gilman, Livermore, Ames, Gerry, Goodhue, Grout, Partridge, Thatcher, Sherman, Benson, Floyd, Lawrance, P. Muhlenberg, Scott, Seney, Brown, Coles, Griffin, White, Burke, Huger, Smith (of S. C.) Tucker, and Baldwin, appeared and took their seats; but not being a quorum, they adjourned until

JANUARY 5.

Mr. BOUDINOT took his seat—No quorum.

JANUARY 6.

Mr. SCHUREMAN, mr. PAGE, and mr. LEE took their seats—No quorum.

JANUARY 7.

Mr. STURGIS, mr. WADSWORTH, mr. VAN RENSSELLAER, mr. CARROLL, and mr. MATHEWS, appeared and took their seats, and a quorum of the whole being present, it was

Ordered, That a message be sent to the senate to inform them that a quorum of this house is assembled, and ready to proceed to business.

Mr. speaker laid before the house a letter from the president of the United States, of the 4th inst. requesting that when there shall be a sufficient number of the two houses of congress assembled to proceed to business, he may be informed of it; and also at what time and place it will be convenient for congress that he should meet them, in order to make some oral communications at the commencement of their session; which was read, and ordered to lie on the table.

A message from the senate by mr. Otis.

Mr. speaker, The senate having appointed a committee on their part, jointly with such committee as shall be appointed on the part of the house, to wait on the president of the United States, and notify him that a quorum of the two houses had assembled, and will be ready, in the senate chamber, at such time as he shall appoint, to receive any communications which he shall think proper to make.

And then he withdrew.

Messrs. Gilman, Ames, and Seney were then appointed a committee on the part of the house for the purpose expressed in the message from the senate.

It was then ordered, That a committee be appointed to examine the journal of the last session, and to report therefrom all such matters of business as were then depending and undetermined, and a committee was appointed, consisting of messrs. Boudinot, Sherman, and White.

Resolved, That two chaplains of different denominations be appointed to congress for the present session, one by each house, who shall interchange weekly.

Ordered, That the clerk of the house do carry the said resolution to the senate, and desire their concurrence.

Mr. GILMAN,

From the committee appointed to wait on the president of the United States, pursuant to the order of this day, reported that the committee had, according to order, performed that service, and that the president was pleased to

say he would attend to make his communications to both houses of congress to-morrow morning at 11 o'clock.

Then the house adjourned.

JANUARY 8.

The house met pursuant to adjournment.

Mr. Henry Wynkoop, from Pennsylvania, appeared and took his seat.

The speaker and members present attended in the senate chamber to receive the president, who addressed both houses in the following speech :——

*Fellow-Citizens of the Senate,
and House of Representatives,*

I EMBRACE, with great satisfaction, the opportunity which now presents itself of congratulating you on the present favorable prospects of our public affairs.

The recent accession of the important state of North-Carolina to the constitution of the United States, of which official information has been received ; the rising credit and respectability of our country ; the general and increasing good will towards the government of the union ; and the concord, peace and plenty, with which we are blessed, are circumstances auspicious, in an eminent degree, to our national prosperity.

In resuming your consultations for the general good, you cannot but derive encouragement from the reflection, that the measures of the last session have been as satisfactory to your constituents as the novelty and difficulty of the work allowed you to hope. Still further to realize their expectations, and to secure the blessings which a gracious Providence has placed within our reach, will, in the course of the present important session, call for the cool and deliberate exertion of your patriotism, firmness and wisdom.

Among the many interesting objects which will engage your attention, that of providing for the common defence will merit particular regard, to be prepared for war, is one of the most effectual means of preserving peace.

A free people ought not only to be armed, but disciplined, to which end a uniform and well-digested plan is requisite ; and their safety and interest require, that they should promote such manufactories, as tend to render them independent on others, for essential, particularly for military supplies.

The proper establishment of the troops which may be deemed indispensable, will be entitled to mature considera-

tion; in the arrangements, which may be made respecting it, it will be of importance to conciliate the comfortable support of the officers and soldiers, with a due regard to œconomy.

There was a reason to hope, that the pacific measures adopted with regard to certain hostile tribes of Indians, would have relieved the inhabitants of our southern and western frontiers from their depredations; but you will perceive, from the information contained in the papers which I shall direct to be laid before you (comprehending a communication from the commonwealth of Virginia) that we ought to be prepared to afford protection to those parts of the union, and, if necessary, to punish aggressors.

The interests of the United States require, that our intercourse with other nations should be facilitated by such provisions as will enable me to fulfil my duty in that respect, in the manner which circumstances may render most conducive to the public good: And to this end, that the compensations to be made to the persons who may be employed, should, according to the nature of their appointments, be defined by law, and a competent fund designated for defraying the expences incident to the conduct of our foreign affairs.

Various considerations, also, render it expedient, that the terms on which foreigners may be admitted to the rights of citizens, should be speedily ascertained by a uniform rule of naturalization. Uniformity in the currency, weights and measures of the United States, is an object of great importance, and will, I am persuaded, be duly attended to.

The advancement of agriculture, commerce and manufactures, by all proper means, will not, I trust, need recommendation. But I cannot forbear intimating to you, the expediency of giving effectual encouragement, as well to the introduction of new and useful inventions from abroad, as to the exertions of skill and genius in producing them at home; and of facilitating the intercourse between the distant parts of our country by a due attention to the post-office and post-roads.

Nor am I less persuaded that you will agree with me in opinion, that there is nothing which can better deserve your patronage, than the promotion of science and literature. Knowledge is in every country, the surest basis of public happiness: In one, in which the measures of government receive their impression so immediately from the sense of the community, as in ours, it is proportionably essential. To the security of a free constitution, it contributes in vari-

ous ways : By convincing those, who are intrusted with the public administration, that every valuable end of government is best answered by the enlightened confidence of the people : And by teaching the people themselves to know and to value their own rights ; to discern and provide against invasions of them ; to distinguish between oppression and the necessary exercise of lawful authority ; between burdens proceeding from a disregard to their convenience, and those resulting from the inevitable exigencies of society ; to discriminate the spirit of liberty from that of licentiousness, cherishing the first, avoiding the last ; and uniting a speedy, but temperate vigilance against encroachments, with an inviolable respect to the laws.

Whether this desirable object will be best promoted by affording aids to seminaries of learning already established, by the institution of a national university, or by any other expedients, will be well worthy of a place in the deliberations of the legislature.

Gentlemen of the House of Representatives,

I saw, with peculiar pleasure, at the close of the last session, the resolution entered into by you, expressive of your opinion, that an adequate provision for the support of the public credit, is a matter of high importance to the national honor and prosperity. In this sentiment I entirely concur ; and to a perfect confidence in your best endeavors to devise such a provision as will be truly consistent with the end, I add an equal reliance on the chearful co-operation of the other branch of the legislature. It would be superfluous to specify inducements to a measure in which the character and permanent interests of the United States are so obviously and so deeply concerned ; and which has received so explicit a sanction from your declaration.

*Gentlemen of the Senate and
House of Representatives,*

I have directed the proper officers to lay before you, respectively, such papers and estimates as regard the affairs particularly recommended to your consideration, and necessary to convey to you that information of the state of the union which it is my duty to afford.

The welfare of our country is the great object to which our cares and efforts ought to be directed ; and I shall derive great satisfaction from a co-operation with you in the

pleasing, though arduous task of insuring to our fellow-citizens the blessings which they have a right to expect from a free, efficient, and equal government.

GEORGE WASHINGTON.

United States, Jan. 8, 1790.

Mr. speaker, and the members having returned to the house, a copy of the foregoing speech was read ; and on motion,

Ordered, That the house, to-morrow, resolve itself into a committee of the whole on the same.

The journals were then read by the clerk.

Mr. BOUDINOT moved to correct the title by striking out all the words, after declaring it merely the Journal of the House of Representatives. He was seconded by Mr. Benson.

Mr. PAGE

Opposed it, because the title of the journal contained nothing more than the fact. It was denominated the Second Session of the First Congress under the Constitution of government of the United States, proposed Sept. 17th, 1787, by the convention in Philadelphia ; and he called upon gentlemen to say if this was more or less than the truth ; beside it was perfectly consonant with parliamentary practice ; if the last sitting of congress, and the present were to be determined one session, than all business would proceed from the state in which it had been left last September ; now this was contrary to the rule established by the *Lex Parliamentaria*, and might be productive of bad consequences. If the words are to be struck out, the natural implication will be, that the two sittings are but one session.

Mr. BOUDINOT

Declared, he had no design of deciding the question alluded to by his honorable friend. It was merely to rid the journal of words which appeared to him superfluous.

Mr. SHERMAN

Was in sentiment with the gentleman from Jersey ; he did not wish to give an opinion respecting the unfinished business of last session, but he thought the regulation on that head, had better be established by a joint rule of both houses.

Mr. TUCKER

Remarked that the question "whether the business of last session was to be taken up *de novo*, or to be continued onward from the state in which it had been left, was not

properly before the house, but the word session, in his opinion, ought to be preserved in the journal, because its meaning was of some importance. He observed, that the legislature of South-Carolina was a bienial body, and that it was for some time a matter of uncertainty whether the session was not the term of two years for which the senate and house of representatives were elected, but the point had been determined, upon a law passed to continue for a term of years, and from thence to the end of the next session of the legislature, the efficacy of this law depended upon the meaning of the word session, and the courts of judicature were of opinion that a session was from the time of meeting until the rising of the legislature, and no longer.

He conceived the title to be of no importance in any other point of view, but in this it might, as congress had already passed a law for a term expiring at the end of the next session, he therefore wished the word to be defined, and he imagined it would be done by retaining it in the place it stood.

After some further desultory conversation, the title of the journal was established by a vote of the house, as follows :

JOURNAL of the HOUSE of REPRESENTATIVES of the
UNITED STATES.

At a session of the congress of the United States, begun and held at the city of New-York, on Monday the 4th day of January, 1790, being the second session of the first congress held under the present constitution of government for the United States, being the day appointed by law for the meeting of the present session.

On the further reading of the minutes, mr. Thatcher observed, that a call of the house which had taken place at the meeting was not entered on the journal.

Mr. PAGE

Was sorry to find any gentlemen insist upon the entry of a measure which was not completed. He was concerned likewise that he had not been here to answer to his name, but he was delayed seven days by head winds, and two days by the extreme badness of the roads. Under such circumstances he thought the gentlemen who were so fortunate as to get here in time, deserved little more credit than those who were plunging at the risk of their lives through almost insuperable difficulties. He hoped it was not intended to stigmatize gentlemen who did not deserve it.

Mr. WHITE.

If the absentees were from the remote states, there would

be some indelicacy in ordering a call of the house, at so early a period of the session, because there might be natural unavoidable impediments to prevent their punctual attendance, but he had observed that the absentees were mostly from the neighboring states, Connecticut, New-York, New-Jersey and Pennsylvania; and some of the members had declared they would not come until they were informed that there was a house. Now, in order to make the journal a true transcript of what had really passed in the house, it was necessary to have this call inserted; for the motion was regularly made, seconded and carried; the absentees were noted, and after some time they were called again, and those who were known to be sick, or on their way were apologized for, and excused; here indeed the business terminated, and they were not ordered into the custody of the serjeant-at-arms, after these remarks, he concluded by saying that he did not move to have it inserted on the journal and was unconcerned about it.

Mr. LAWRENCE

Hoped the call would not be entered on the journal, if it was intended to reproach the conduct of the absent members, for he was very well satisfied in his own mind, that few if any of them were guilty of neglecting their duty.

Mr. WADSWORTH

Likewise hoped the entry would not be made. He had left home a week ago, but had been detained by head winds. He dared to say that this would be found to be the case with respect to a number of other gentlemen; and as far as his knowledge went with relation to such as were absent, it was on necessary occasions.

Mr. PARTRIDGE

Did not wish to stigmatize any gentleman by an entry of this kind on the journals. He meant simply that the fact should appear as it really happened in the house; however, as the business had not been completed, he would withdraw his second to the motion for having the entry made.

Mr. PAGE

Said no new stigma could be received by him or his colleague, (mr. Lee.) By the entry on the journals, it appeared they were not here on Monday or Tuesday, but on Wednesday it is said that John Page, and R. B. Lee, appeared and took their seats; consequently what he had said could not be construed to favor himself or his colleague, but it was generally for those who had not been able to get here so soon.

The motion for entering on the journals the call of the house, was withdrawn.

The house then proceeded to the appointment of a chaplain for the present session; and after a previous nomination, the rev. mr. Lynn was duly chosen.

Then the house adjourned.

JANUARY 9.

Mr. CLYMER appeared and took his seat.

A letter from Alexander Hamilton, secretary of the treasury, was read, informing the house that, agreeably to their resolution of the 21st of September, he had prepared a plan for the support of the public credit, and that he was ready to report the same to this house, when they should be pleased to receive it.

It was proposed that Thursday next be assigned for this purpose.

Mr. GERRY wished to add to the motion, that it should be made in writing.

Mr. BOUDINOT

Hoped that the secretary of the treasury might be permitted to make his report in person, in order to answer such enquiries as the members might be disposed to make, for it was a justifiable surmise that gentlemen would not be able clearly to comprehend so intricate a subject without oral illustration.

Mr. CLYMER

Expressed some doubts with respect to the propriety of receiving oral communications from the head of such an important department. He was rather inclined to think that such communications ought to be in writing.

Mr. AMES

Conceived it to be the duty of the house to obtain the best information on any subject, but on this very important one they ought to be particularly careful to get it from the highest source. The secretary of the treasury was a most important and responsible officer; the delicacy of his situation required every indulgence to be extended to him, that had a tendency to enable him to compleat the arduous undertaking in which he was engaged. It would be a real misfortune that a salutary measure should be defeated for want of being understood; yet the most advantageous plans may miscarry in their passage through this house, by reason of their not being clearly comprehended. He hoped, therefore, that the financier would be authorised to make such communications and illustrations as he judged necessary;

but he wished these communications to be in writing ; in this shape they would obtain a degree of permanency favorable to the responsibility of the officer, while at the same time they would be less liable to be misunderstood.

Mr. BENSON

Observed that the secretary of the treasury was directed, by a resolution of the last session, to prepare a plan for the support of public credit, and to report the same at this meeting. The point to be settled is, whether it shall be done by an oral communication, or transmitted in writing ? In the former order of the house, this point was untouched, and the secretary was left at his discretion to prepare himself for reporting in either way ; consequently when we have fixed the time for receiving his report, he may make it in the manner for which he is prepared ; but no doubt this officer, actuated by motives of deference and respect, will conform to any rule the house may think proper to enjoin.

Mr. GERRY

Conceived it would be necessary that the secretary should be authorised, by a vote of the house, to give explanations to his plans : This he was not expressly authorised to do by the vote of the last session, which confined him merely to prepare a plan for support of the public credit. Would any gentleman on this floor suppose himself capable of comprehending and combining the parts of a general system, calculated to produce such a grand effect ? In a plan for supporting public credit, may be comprehended every species of finance. The secretary, under such an order, may propose an extension of your impost to entire new articles, an increase of some, and a diminution upon others. He may propose an introduction of a system of excise, with all these he may combine duties, stamps, and direct taxes. Can the human mind retain, with any great degree of precision, objects so extensive and multifarious upon a mere oral communication ? This consideration alone ought to be sufficient to induce gentlemen to agree to his proposition of making the report in writing ; but his proposition extended still further, it went to give him a right to lay before them his explanations, if he thinks explanations necessary.

On the question, the resolution for receiving the report of the secretary of the treasury in writing was carried in the affirmative.

On motion, the house now resolved itself into a committee of the whole on the the president's speech.

Mr. BALDWIN in the chair.

Mr. SMITH (of S. C.)

Proposed a resolution that an address be presented to the president, in answer to his speech to both houses, assuring him that this house will, without delay, proceed to take into their serious consideration, the various and important matters recommended to their attention.

Mr. WHITE

Thought this motion hardly sufficient, it was too general to warrant a select committee to draft that particular reply which he hoped the house was disposed to make to every part of the president's speech; he therefore begged the gentleman to withdraw it, and permit him to substitute one in its stead, which he read in his place.

Mr. BOUDINOT

Thought the proposition just read by the honorable gentleman from Virginia, much superior to that proposed by his worthy friend from South-Carolina, it must have struck every gentlemen that there were other matters contained in the speech deserving of notice, besides those recommended to their serious consideration. There was information of the recent accession of the important state of North-Carolina to the constitution of the United States. This event ought to be recognized in a particular manner, according to its importance; and he presumed to think that its importance was of the very first magnitude.

A desultory conversation now took place on amending the original proposition in such a manner as to embrace generally the subjects of the speech. When at length it was amended to read as follows:

Resolved, As the sense of this committee, that an address be presented by the house to the president of the United States, in answer to his speech to both houses, with assurances that this house will, without delay, proceed to take into consideration, the various and important matters recommended to their attention,

Whereupon messrs. Smith, (of S. C.) Clymer and Lawrence, were appointed a committee to prepare the said address.

A petition from Christopher Saddler, of Nova-Scotia, was read, praying relief against a seizure of his vessel and cargo, which was made at the port of Boston, for a violation of the impost law of the United States, of which at that time he asserts he was totally ignorant.

After which the house adjourned.

JANUARY 11.

Messrs. TRUMBULL, HATHORN, and MOORE, appeared and took their seats.

Mr. BOUDINOT

From the committee, to whom it was referred to examine the journal of the last session, and to report therefrom all such matters of business as were then depending and undetermined, have, according to order, examined the journal, and agreed to the following report.

It appears to your committee that the several petitions of David Ramsay, John Churchman, Alexander Lewis, Arthur Greer, Jedidiah Morse, John Fitch, Englehart Cruse, Nicholas Pike, Samuel Briggs, John Christopher Stoebel, Leonard Harbaugh, Hannah Adams, Christopher Colles, David Greenleaf, John Macpherson, Abraham Westervelt, James Rumsey, and William Hoy, respectively praying for exclusive privileges as authors or inventors of some useful work or discovery, were ordered to lie on the table, and so remained during the session.

It further appears to your committee, that the several petitions of Martha Walker, Duncan Campbell, Tristram Coffin, William Finnie, Englebert Kemmana, Thomasin Gordon, Prudent la Jeneffe, Baron de Steuben and Richard Ham, respectively, praying to be compensated for military services, or for injuries or losses sustained during the late war, were referred to the secretary of the treasury to examine and report upon to the present session.

It further appears to your committee that the several petitions of John M'Garrah, Dudley Tyler, Patrick Bennet, John Hurt, James Gibbons, Archibald M'Allister, Alexander Power, attorney for Col. Flower's regiment, Henry Malcolm and Charles Markle, respectively praying to be compensated for military services rendered during the late war, were referred to the secretary at war to examine, and report upon, to the present session.

It further appears to your committee that the several petitions of Andrew Newell, Seth Clarke, Sarah Parker, Bartlet Hinds, Robert Frazier, David Sturges, Richard Philips, James McLean, James Read and Thomas Barclay, respectively, praying that certain claims which they exhibit against the United States, may be considered and allowed, were ordered to lie on the table, and so remained during the session.

It also appear to your committee, that the petition of Joseph Wheaton, serjeant at arms, to this house, praying

an enquiry into the charges exhibited against him in certain anonymous letters, was ordered to lie on the table, and so remained during the session.

Your committee further report, that committees were appointed to prepare and bring in the several bills following, to wit :

A bill to establish an uniform system on the subject of bankruptcies throughout the United States.

A bill for the further encouragement of the commerce and navigation in the United States.

A bill providing for the actual enumeration of the inhabitants of the United States.

Also, a bill providing a proper system of regulation for the militia of the United States :

Neither of which bills were reported during the session.

It also appears to your committee, that there were postponed by this house for further consideration until the present session, the several bills, to wit :

A bill to promote the progress of science and useful arts, by securing to authors and inventors, the exclusive right to their respective writings and discoveries.

A bill for the establishment of hospitals, for the relief of sick and disabled seamen, and prescribing regulations for the harbors of the United States.

A bill concerning the importation of certain persons prior to the year 1808.

A bill to establish a land-office in and for the western territory. Also a bill sent from the senate, entitled, " An act for the punishment of certain crimes against the United States."

That the bill entitled, " An act to establish the seat of government of the United States," was postponed by the senate, for the further consideration of an amendment proposed by this house, until the present session.

And lastly, That the report of the committee appointed to examine into the measures taken by Congress, and the state of Virginia, respecting lands reserved for the officers and soldiers of the said state, was postponed by this house for further consideration, until the present session.

Mr. AMES

Then called for the second reading of C. Saddler's petition, presented on Saturday, and moved to refer it to the secretary of the treasury to report thereon : He wished the attention of the house directed to this point, in order to decide if such a disposal was proper.

Mr. WHITE

Thought the house ought to take no notice of the petition, because the man deserved to abide by the consequence of a breach of the revenue law. The petitioner alledged, that he was unacquainted with the law; this did not appear a well founded plea, for the man had cleared out from Halifax last December, and the impost law commenced last August: The time was sufficient to convey information into a province so near the United States as Nova-Scotia, where our news papers circulated pretty generally, as the inhabitants used the same language with the citizens of America. But if it was proper to commit the petition at all, it ought to be to a committee of the house.

Mr. GOODHUE

Observed, that this man belonged to the fisheries, and from the circumstance of being employed in his business, it was possible he had never heard of the law. He thought the case deserving of consideration, and hoped it would be referred.

Mr. BOUDINOT

Wished it referred to the secretary of the treasury, because he best understood the subject, having more information respecting it from the nature of his office than the house could have, and as many similar cases might come forward it was best to establish a uniform rule, and not have the time of the house consumed in local concerns when it might be advantageously employed in promoting the public good.

Mr. LAWRENCE

Thought the secretary of the treasury the most proper person to consider and report on this application, as the house could only decide on information. The officer at the head of the treasury had a general superintendence of the business, and of consequence must know most respecting it.

On the question, it was determined to refer it to the secretary of the treasury to report.

Mr. SMITH, (of S. C.)

From the committee, appointed for the purpose of preparing an address, in answer to the president's speech, presented a report, which being read,

Mr. PAGE moved to go into a committee of the whole on the same, to-morrow.

This being agreed to,

Mr. GOODHUE

Observed, that he was a member of the committee, appointed at the last session, to prepare a bill for taking the

census or enumeration of the inhabitants of the United States, and wished to know whether it was desired by the house, that the committee should proceed on that business, if it was, it was necessary that the committee should be enlarged, in order to answer the object of their appointment effectually, but as that would be attended with some inconvenience, it would perhaps be best to discharge the old committee and appoint a new one, to consist of a member from each state, and in order to take the sense of the house, he would make that motion.

Mr. SMITH (S. C.)

Wished the gentleman to withdraw his motion, in order that the house might go into the consideration of the several important matters recommended to their attention in the president's speech, and refer them respectively to committees. If the gentleman from Massachusetts would conform to this sentiment, he would move to go into a committee of the whole for that purpose.

Mr. WHITE

Remarked that the president's speech had already been referred to a committee of the whole, it was therefore unnecessary to adopt the motion of the gentleman from South-Carolina.

Mr. GOODHUE however agreed to suspend his motion until the house should decide upon Mr. Smith's.

The question was then taken on Mr. Smith's motion, and passed in the negative.

Mr. GOODHUE

Then stated to the house that one object which he had in view in moving that the committee be dismissed, was to determine whether the business of last session should proceed from the stage in which it was then left, or taken up *de novo*.

Mr. LEE

Considered this as a question of some importance, but he did not hesitate to say that it was decided by the uniform practice of parliament, and on long experience it was found to be attended with the least inconvenience to commence all their proceedings anew at the commencement of a new session; but as it was a question of order, he would refer the decision of it to the chair.

Mr. SHERMAN thought it a question that ought to be decided by the joint resolution of both houses.

Mr. PAGE

Was of opinion that each house ought to establish its own rules to govern its proceedings, and that, as it was consistent

with parliamentary usage to commence *de novo* the proceedings of each session, it would be proper for the house to pursue a like line of conduct.

Mr. TUCKER

Said it was a question that deserved very serious consideration, because an act might be passed at this session with the consent of only one branch of the legislature, provided it was determined that the business should progress from the state in which it was left last September. He alluded to the bill respecting crimes and punishments assented to by the senate, and sent to this house for concurrence at the last session, and also the bill to establish the seat of government of the United States, which had passed this house, and lay before the senate for their assent to a small amendment.

If on this occasion the two houses should establish different rules, one might proceed to pass one of those laws contrary to the sense of the other, which would induce a consequent embarrassment; to avoid this, he thought it best that both houses should be consulted, and establish an uniform rule. But while he was urging these arguments, he did not mean to contend that this house was not left to its own discretion, to establish such rules as the majority might think proper.

As the question had been left to the decision of the chair and several members called for Mr. Speaker's opinion; he stated to the house, that it had been customary with those legislative assemblies he had the honor of being a member of, since the revolution, to continue the business from one session to another, during the time for which they were elected, but as this was not strictly consonant with the usage of the British parliament, which some gentlemen think essential, although that body differ in many respects from this; and as the house had hitherto prescribed no rule in point, he did not conceive that the chair ought to be considered as adequate to the decision.

Mr. SHERMAN

Said it would involve an absurdity, if an act was to be passed by one house only, in the session; because it would assert in its title that it was an act of the whole congress, done at a session, when one branch had never acted upon it; he was therefore of opinion that the unfinished business which had passed from the one branch of the legislature to the other, ought to commence anew at the present session.

Mr. WHITE

Did not wish to hurry on a decision of this important

question, though he was himself well prepared for it. He had never an idea but the business of a former session terminated with the session, and was to be taken up *de novo* at the subsequent meeting: This had been the invariable practice of parliament through the period of their existence; if then it had been found advantageous by so enlightened a body, for a period of 500 years, their experience was sufficient to satisfy his mind of its propriety; and nothing but solid and substantial objections would induce him to deviate from that principles; but beside the practice of Great Britain, he could adduce the mode of transacting business in Virginia, which was exactly conformable to the former instance.

He stated one instance in order to shew the impropriety of a different conduct. The state of North-Carolina, had come into the union during the recess, the laws that were unperfected before that period ought not to bind her until she had an opportunity of having a voice in enacting them; now if the unfinished business was to go on from the stage where it was left last session; a single hour might bind her contrary to her will, and contrary to the sentiments of a majority of the people.

Mr. SMITH, (S. C.)

Said the best way of trying the question whether the business was to be considered as dead or not, was to move to appoint committees to the purposes for which such committees were appointed at the last session, and not to discharge the committee as moved by the gentleman from Massachusetts, because both the affirmative and negative implied, that the committees were still in existence, which was the point in dispute.

Mr. LEE favoured this last opinion, and hoped the question would be taken upon it.

Mr. LIVERMORE

Heartily concurred with the several gentlemen that were up, in this, that both the senate and house ought to establish some rule on this subject, and that the rule ought to be the same in both houses; he wished it to be done before the business of the legislature was thrown into confusion by a vote of one branch, which would not be acceded to by the other, for this reason he moved that a committee be appointed to confer with a committee of the senate, and report to both houses a uniform rule of proceeding relative to the business of last session; as to his own opinion on the sub-

ject, he was free to declare as his private judgment, that the business of the late session was at an end.

Mr. GOODHUE

Thought the first motion the best to settle the question, and therefore hoped it would be first put ; he further observed that there was a necessity of discharging the committee of three appointed to digest a plan for taking the census, because they were inadequate to the object ; the mode of enumerating the inhabitants of the several states, depended a good deal upon certain local regulations, and consequently required the circumstance of local information in those who were to bring forward the bill, this he apprehended would be best attained by forming the committee of a member from each state.

Mr. WHITE thought it of no use to appoint a committee to confer with a committee of the senate, because they might report contrary to the sense of the house.

Mr. LEE was of the same sentiment, and urged the propriety of deciding the question under a sure reliance that the senate would pursue the same line of conduct, and the practice would be established at once.

Mr. CLYMER.

It appeared to him that the decision of the question which now agitated the house was anticipated, at least the former determination ought to have considerable influence on the present vote ; if all business was to commence *de novo*, why did the house appoint a committee to examine and bring forward the unfinished business of the last session? Either the house did not conceive the business dead, or it acted with some degree of absurdity in the appointment of that committee, because a committee could not be appointed on any business until that business was revived by motion, or a new application.

Mr. PARTRIDGE

Thought with the gentleman last up, that the business of last session was still before the house, and he was confirmed in this sentiment by several votes taken at their former meeting, by which the business then under consideration had been expressly postponed till the present session. The senate had likewise adopted a similar practice as was announced in their message of the 28th September, in which it is said that the senate have postponed until the next session of Congress, the consideration of the amendment proposed by this house to the bill for establishing the seat of government of the United States.

Mr. PAGE

Requested the gentleman last up to declare what the word session meant in this case, and observed in reply to the gentleman from Pennsylvania (Mr. Clymer) that if the business was to proceed from the stage in which it was left, there was no necessity of a committee to examine the journal, as it would have gone on as a matter of course.

Mr. SHERMAN

Was of opinion that the business which was undecided on by either house might proceed, but that which had passed one branch and laid before the other for concurrence ought to be taken up *de novo*, he said this idea made it perfectly consistent to appoint a committee to report the unfinished business.

Mr. BOUDINOT thought a uniform rule ought to be established between the two houses.

Mr. SMITH (S. C.)

Said it was a very important question, as it related to the present circumstances of congress, it was very important as a precedent, and would be of peculiar importance to the distant states at all times hereafter. If it was determined that the house might proceed to finish business left incomplete at their last session, it might be destructive of that harmony which he wished to be ever preserved. The members from the states near to the seat of government, might assemble early in the session, and carry measures through with the bare majority of a very thin house, inimical to the public welfare. He thought these solid reasons for commencing all business anew.

Mr. LAWRENCE

Thought the word session implied that all the proceedings of the legislature were to cease at its expiration, and to commence anew after the recess, whether the body consisted of the same members or otherwise, and did not doubt but both houses would concur in this opinion.

Mr. WHITE

Did not think the house ought to appoint a committee to confer with a committee of the senate, because its object was to guard against an inconvenience that might never occur. Perhaps if this house decides that business shall commence *de novo*, the senate may do the same, and there be no occasion for a consultation; but if they differ, it will be time enough to appoint a committee of conference.

The reason why the practice in Pennsylvania differed from that of the British parliament might be on account of a consi-

tutional difference in the mode of considering bills. By the constitution, the assembly of Pennsylvania is obliged to submit all its bills to the people for their consideration, who are intended to act in some degree as another house, and check the decisions of a legislative body, consisting of a single branch.

Mr. LIVERMORE

Hoped the opinion which seemed generally to prevail in this house, might be adopted by the senate, and then he had no doubt but the practice of both branches of the legislature would be uniform; but he still was inclined to think it would be better to settle it in a joint committee.

The question was, by consent, taken on mr. Livermore's motion, and that being lost.

Mr. SMITH (S. C.)

Moved that a committee of ten, to consist of a member from each state, be appointed to prepare and bring in a bill for the actual enumeration of the inhabitants of the United States.

On the question, this motion was carried in the affirmative without a division: When the following gentlemen were elected a committee by ballot:—

Messrs. Foster, Goodhue, Sherman, Lawrance, Schureman, Clymer, Seney, White, Smith, (S. C.) and Baldwin.

A message from the president of the United States, by mr. T. Lear, was received, with the following communications:—

UNITED STATES, *Jan. 11, 1790.*

Gentlemen of the House of Representatives,

I HAVE directed mr. Lear, my private secretary, to lay before you a copy of the adoption and ratification of the constitution of the United States by the state of North-Carolina, together with the copy of a letter from his excellency Samuel Johnston, president of the convention of said state, to the president of the United States.

The original of the papers which are herewith transmitted to you, will be lodged in the office of the secretary of state.

GEORGE WASHINGTON.

FAYETTE-VILLE, *State of North-Carolina, 4th Dec. 1789.*

SIR,

BY order of the convention of the people of this state, I have the honor to transmit to you the ratification and adop-

tion of the constitution of the United States, by the said convention. In behalf of the people,

With sentiments of the highest consideration
and respect, I have the honor to be,

S I R,

Your most faithful and obedient servant,

(Signed)

SAMUEL JOHNSTON,

President of the Convention.

To the PRESIDENT of the UNITED STATES.

I DO Certify the above to be a true copy from the
original

TOBIAS LEAR,

Secretary to the President of the United States.

A copy of the adoption and ratification of the constitution of the United States, by the state of North-Carolina.

STATE OF NORTH-CAROLINA.

IN CONVENTION.

WHEREAS the general convention which met in Philadelphia in pursuance of a recommendation of congress, did recommend to the citizens of the United States, a constitution and form of government, in the following words, to wit.

“ WE the People, &c.”

[*Here follows the Constitution of the United States, verbatim.*]

Resolved, That this convention, in behalf of the freemen, citizens and inhabitants of the state of North-Carolina, do adopt and ratify the said constitution and form of government.

DONE in convention this 21st day of November, 1789.

(Signed)

SAMUEL JOHNSTON,

President of the Convention.

J. HUNT,
J. TAYLOR,

} *Secretaries.*

BY the direction of the president of the United States, I have examined and compared the foregoing with the adoption and ratification of the constitution of the United States, by the state of North-Carolina, which was transmitted to the president of the United States by Samuel Johnston, president of the convention of the said state, as well as the

transcript of the constitution of the United States, recited in the said ratification, which I certify to be a true copy.

TOBIAS LEAR,

Secretary to the President of the United States.

The house then adjourned until to-morrow.

7 A N U A R Y 12.

Agreeably to the order of the day the house resolved itself into a committee of the whole on the address, in answer to the president's speech to both houses.

Mr. BALDWIN being placed in the chair, the address was read as follows :

The address of the House of Representatives to the President of the United States.

S I R,

THE representatives of the people of the United States, have taken into consideration your speech to both houses of congress at the opening of the present session.

We reciprocate your congratulations on the accession of the state of North-Carolina ; an event which, while it is a testimony of the increasing good will towards the government of the union, cannot fail to give additional dignity and strength to the American republic, already rising in the estimation of the world in national character and respectability.

The information that our measures of the last session have not proved disatisfactory to our constituents, affords us much encouragement at this juncture, when we are resuming the arduous task of legislating for so extensive an empire.

Nothing can be more gratifying to the representatives of a free people than the reflection, that their labors are rewarded by the approbation of their fellow citizens. Under this impression, we shall make every exertion to realize their expectations, and to secure to them those blessings which providence has placed within their reach. Still prompted by the same desire to promote their interests which then actuated us, we shall, in the present session, diligently and anxiously pursue those measures which shall appear to us conducive to that end.

We concur with you in the sentiment that agriculture, commerce and manufactures, are entitled to legislative protection, and that the promotion of science and literature will contribute to the security of a free government ; in the progress of our deliberations, we shall not lose sight of objects so worthy of our regard.

The various and weighty matters which you have judged necessary to recommend to our attention, appear to us essential to the tranquillity and welfare of the union, and claim our early and most serious consideration. We shall proceed, without delay, to bestow on them that calm discussion which their importance requires.

We regret that the pacific arrangements pursued with regard to certain hostile tribes of Indians, have not been attended with that success which we had reason to expect from them; we shall not hesitate to concur in such further measures as may best obviate any ill effects which might be apprehended from the failure of those negotiations.

Your approbation of the vote of this house at the last session, respecting the provision for the public creditors, is very acceptable to us: The proper mode of carrying that resolution into effect, being a subject in which the future character and happiness of these states are deeply involved, will be among the first to deserve our attention.

The prosperity of the United States is the primary object of all our deliberations, and we cherish the reflection, that every measure which we may adopt for its advancement, will not only receive your cheerful concurrence, but will at the same time derive from your co-operation, additional efficacy in ensuring to our fellow citizens the blessings of a free, efficient and equal government.

FREDERICK AUGUSTUS MUHLENBERG,
*Speaker of the House of
Representatives.*

Mr. WHITE proposed to alter the last word but one in the first paragraph, and say "second" session, instead of "present."

✓ Negatived,

Mr. BOUDINOT

Moved to strike out at the beginning of the 3d paragraph "The information," because the house were possessed of this knowledge by other means; they had during the recess of congress, an opportunity of consulting their constituents, and could therefore say of their own motion, that the measures of the last session have not proved satisfactory.

Mr. CLYMER

As one of the committee appointed to prepare a report, had agreed to the address, but he did not think himself precluded from agreeing to what he supposed would be an amendment. The words appeared to him unnecessary, as they were strongly implied, inasmuch as the address was in

answer to the speech of the president, which really contained such information.

Mr. SMITH (S. C.)

Contended, that the house had no information with respect to the satisfaction their constituents experienced in the measures of the last session, except what was contained in the president's speech. He did not presume to deny, but every individual member of congress might have received information of this nature in private conversation with the people, but no official communication could possibly be got at; it was therefore necessary to recognize in the address, the quarter from whence they drew that information, in this view he considered the words necessary, and hoped they would be retained.

Mr. BOUDINOT

Meant to avoid the idea that it was from the executive alone they drew this information, when it was a notorious fact, perceptible to common observation.

Mr. LAWRENCE

Said the executive was the proper source to draw such information from, and he was very happy to learn it from so respectable a quarter, he therefore hoped it would be permitted to remain in the report.

The question was now taken for striking out the words, and it passed in the negative.

It was then moved to strike out in the first line of the 4th paragraph, the word "gratifying" and insert "grateful."

Mr. WADSWORTH

Did not mean to call in question the right of gentlemen to amend the address in what manner they thought proper, but he would just remark, that the composition of two or three gentlemen, done with deliberation and coolness, generally had more elegance and pertinency, than the patchwork of a large assembly. He should therefore vote against every alteration, that went to nothing more than to change the style; if gentlemen were disposed to contend for principle, he should listen to them with attention, and decide according to the best of his judgment, but he really conceived it to be a waste of time, to discuss the propriety of two such terms as grateful and gratifying.

Mr. PAGE

Hoped that gentlemen would proceed to amend the address in such a way as to give it the highest degree of perfection. He would rather have his feelings hurt, provided they could be said to be hurt by changing the language of

his most favorite production, than that an address should go from this body with any incorrec^tness whatever. He hoped the house would always criticize upon, strike out and amend whatever matter was before them with boldness and freedom. And he would observe to gentlemen, that the most refined and accurate writers were never ashamed to have it said of them, that they blotted out.

Mr. WHITE

Said that every gentleman had an undoubted right to take the sense of the house upon an amendment, and that it ought not to be considered as a reflection upon those who drew up the address.

Mr. WADSWORTH

Did not pretend to be a critic, but thought he understood the meaning of the words gratifying and grateful, and he conceived the difference to be too trifling to engage the attention of the house. He hoped that he had been as modest as a man could be in his observations, and was sorry to have drawn his worthy friend (from Virginia) into any severities.

Mr. THATCHER

Apprehended the meaning of these two words to be the same, and the reception of either was only important as it related to the measure or harmony of the period. Now those gentlemen who are qualified to decide this point, might vote for the substitute, but for his part he was very well satisfied with it as it stood.

Mr. STURGIS

Wished the sentence struck out altogether, because he did not conceive the assertion to be true; for he did believe that there was something which could and ought to be more gratifying to the representatives of a free people, than the reflection that their labours are rewarded by the approbation of their fellow citizens; to be sure it was a grateful reflection, but there was one much more so, which was, that their labours had tended to advance the real interests of the people. If it is, as it ought to be, our highest ambition to promote the general interest, it must be most gratifying to us to learn that we have attained that desirable end.

Mr. PAGE

Had only heard some expressions from the gentleman from Connecticut (Mr. Wadsworth) which he imagined had a tendency to discourage the house from making necessary alterations; but he was convinced, from the known candor and impartiality of that gentleman, that he must not

have fully comprehended his intentions, and therefore begged to apologize to him for any thing he might have said partaking of severity.

The question was now put for striking out "gratifying" and inserting "grateful," and passed in the negative.

The committee then agreed to the report, rose, and the chairman reported it without amendments.

Mr. speaker being seated in the chair, the address was read again and unanimously agreed to by the house.

It was then moved that a committee be appointed to wait on the president of the United States, to learn from him at what time, and in what place he would receive this address. Messrs. Smith, (S. C.) Clymer, and Lawrance, were appointed the committee on this occasion.

A message from the president of the United States, by H. Knox, secretary at war, was received, in which the president informed the house, that he had made to them, an unreserved but confidential communication of the situation of the western and southern frontiers, and Indian department: Immediately after this letter was read, on motion, the galleries were cleared.

JANUARY 13.

Messrs. Huntington, Cadwallader, Heister, and Smith (M.) appeared and took their seats.

On motion of Mr. Lee, it was ordered, that so much of the standing rules of this house, as directs the mode of appointing committees, be rescinded; and that hereafter it be a standing rule of the house, that all committees shall be appointed by the speaker, unless otherwise specially directed by the house, in which case they shall be appointed by ballot, and if upon such ballot, the number required shall not be elected by a majority of the votes given, the house shall proceed to a second ballot, in which a plurality of votes shall prevail; and in case a greater number than are required to compose or complete the committee shall have an equal number of votes, the house shall proceed to a further ballot or ballots.

Mr. SMITH (S. C.) reported that the president would be ready to receive their address to-morrow at 12 o'clock.

The house resumed the reading of the statement of the south-western frontiers, and of the Indian department, as referred to in the president's message of yesterday; whereupon, ordered, that the said message and statement be referred to a committee of five, and that messrs. Wadsworth, Brown, Boudinot, Barke and Baldwin, be the said committee. Adjourned.

JANUARY 14.

Mr. Sedgwick and Mr. Hartley appeared and took their seats.

On motion, Messrs. Livermore, Ames, Lawrance, Scott, and Smith were added to the committee appointed yesterday on the affairs of the Indian department.

The house then went and presented the address to the president, to which the president was pleased to make the following reply :

Gentlemen,

I RECEIVE, with pleasure, the assurances you give me, that you will diligently and anxiously pursue such measures as shall appear to you conducive to the interests of your constituents ; and that an early and serious consideration will be given to the various and weighty matters recommended by me to your attention.

I have full confidence that your deliberations will continue to be directed by an enlightened and virtuous zeal for the happiness of our country.

GEORGE WASHINGTON.

The report of the secretary of the treasury was received and read, and is as follows :

TREASURY DEPARTMENT, JAN. 9. 1790.

THE secretary of the treasury, in obedience to the resolution of the house of representatives, of the twenty-first day of September last, has, during the recess of congress, applied himself to the consideration of a proper plan for the support of the public credit, with all the attention which was due to the authority of the house, and to the magnitude of the object.

In the discharge of this duty, he has felt, in no small degree, the anxieties which naturally flow from a just estimate of the difficulty of the task, from a well-founded diffidence of his own qualifications for executing it with success, and from a deep and solemn conviction of the momentous nature of the truth contained in the resolution under which his investigations have been conducted, " That an *adequate* provision for the support of the public credit, is a matter of high importance to the honor and prosperity of the United States."

With an ardent desire that his well-meant endeavors may be conducive to the real advantage of the nation, and with

the utmost deference to the superior judgment of the house, he now respectfully submits the result of his enquiries and reflections to their indulgent construction.

In the opinion of the secretary, the wisdom of the house, in giving their explicit sanction to the proposition which has been stated, cannot but be applauded by all, who will seriously consider, and trace through their obvious consequences, these plain and undeniable truths.

That exigencies are to be expected to occur, in the affairs of nations, in which there will be a necessity for borrowing.

That loans in times of public danger, especially from foreign war, are found an indispensable resource, even to the wealthiest of them.

And that in a country, which, like this, is possessed of little active wealth, or in other words, little monied capital, the necessity for that resource must, in such emergencies, be proportionably urgent.

And as on the one hand, the necessity for borrowing, in particular emergencies, cannot be doubted, so on the other it is equally evident, that to be able to borrow, upon *good terms*, it is essential that the credit of a nation should be well established.

For when the credit of a country is in any degree questionable, it never fails to give an extravagant premium, in one shape or another, upon all the loans it has occasion to make. Nor does the evil end here; the same disadvantage must be sustained upon whatever is to be bought on terms of future payment.

From this constant necessity of *borrowing and buying dear*, it is easy to conceive how immensely the expences of a nation, in a course of time, will be augmented by an unsound state of the public credit.

To attempt to enumerate the complicated variety of mischiefs in the whole system of the social œconomy, which proceed from a neglect of the maxims that uphold public credit, and justify the solicitude manifested by the house on this point, would be an improper intrusion on their time and patience.

In so strong a light, nevertheless, do they appear to the secretary, that on their due observance at the present critical juncture, materially depends, in his judgment, the individual and aggregate prosperity of the citizens of the United States; their relief from the embarrassments they now experience; their character as a people; the cause of good government.

If the maintenance of public credit, then, be truly so important, the next enquiry which suggests itself is, by what means it is to be effected? The ready answer to which question is, by good faith, by a punctual performance of contracts. States, like individuals, who observe their engagements, are respected and trusted; while the reverse is the fate of those who pursue an opposite conduct.

Every breach of the public engagements, whether from choice or necessity, is in different degrees hurtful to public credit. When such a necessity does truly exist, the evils of it are only to be palliated by a scrupulous attention, on the part of the government, to carry the violation no farther than the necessity absolutely requires, and to manifest, if the nature of the case admits of it, a sincere disposition to make reparation, whenever circumstances shall permit.— But with every possible mitigation, credit must suffer, and numerous mischiefs ensue. It is therefore highly important, when an appearance of necessity seems to press upon the public councils, that they should examine well its reality, and be perfectly assured that there is no method of escaping from it, before they yield to its suggestions. For though it cannot safely be affirmed, that occasions have never existed, or may not exist, in which violations of the public faith, in this respect, are inevitable; yet there is great reason to believe, that they exist far less frequently than precedents indicate; and are ofteneft either pretended through levity, or want of firmness, or supposed through want of knowledge. Expedients might often have been devised to effect, consistently with good faith, what has been done in contravention of it. Those who are most commonly creditors of a nation, are, generally speaking, enlightened men; and there are signal examples to warrant a conclusion, that when a candid and fair appeal is made to them, they will understand their true interest too well to refuse their concurrence in such modifications of their claims, as any real necessity may demand.

While the observance of that good faith, which is the basis of public credit, is recommended by the strongest inducements of political expediency, it is enforced by considerations of still greater authority. There are arguments for it, which rest on the immutable principles of moral obligation. And in proportion as the mind is disposed to contemplate, in the order of Providence, an intimate connection between public virtue and public happiness, will be its repugnancy to a violation of those principles.

This reflection derives additional strength from the nature of the debt of the United States. It was the price of liberty. The faith of America has been repeatedly pledged for it, and with solemnities, that give peculiar force to the obligation. There is indeed great reason to regret that it has not hitherto been kept ; that the necessities of the war, conspiring with inexperience in the subject of finance, produced direct infractions ; and that the subsequent period has been a continued scene of negative violation, or non-compliance. But a diminution of this regret arises from the reflection, that the last seven years have exhibited an earnest and uniform effort, on the part of the government of the union, to retrieve the national credit, by doing justice to the creditors of the nation ; and that the embarrassments of a defective constitution, which defeated this laudable effort, have ceased.

From this evidence of a favorable disposition, given by the former government, the institution of a new one, cloathed with powers competent to calling forth the resources of the community, has excited correspondent expectations. A general belief, accordingly, prevails, that the credit of the United States will quickly be established on the firm foundation of an effectual provision for the existing debt. The influence, which this has had at home, is witnessed by the rapid increase that has taken place in the market value of the public securities. From January to November, they rose thirty-three and a third per cent, and from that period to this time, they have risen fifty per cent. more. And the intelligence from abroad announces effects proportionably favourable to our national credit and consequence.

It cannot but merit particular attention, that among ourselves the most enlightened friends of good government are those, whose expectations are the highest.

To justify and preserve their confidence ; to promote the encreasing respectability of the American name ; to answer the calls of justice ; to restore landed property to its due value ; to furnish new resources both to agriculture and commerce ; to cement more closely the union of the states ; to add to their security against foreign attack ; to establish public order on the basis of an upright and liberal policy.—These are the great and invaluable ends to be secured, by a proper and adequate provision, at the present period, for the support of public credit.

To this provision we are invited, not only by the general considerations which have been noticed, but by others of a more particular nature. It will procure to every class of the community some important advantages, and remove some no less important disadvantages.

The advantage to the public creditors from the increased value of that part of their property which constitutes the public debt, needs no explanation.

But there is a consequence of this, less obvious, though not less true, in which every other citizen is interested. It is a well-known fact, that in countries in which the national debt is properly funded, and an object of established confidence, it answers most of the purposes of money.—Transfers of stock or public debt are there equivalent to payments in specie; or in other words, stock, in the principal transactions of business, passes current as specie. The same thing would, in all probability, happen here, under the like circumstances.

The benefits of this are various and obvious.

First. Trade is extended by it; because there is a larger capital to carry it on, and the merchant can at the same time, afford to trade for smaller profits; as his stock, which, when unemployed, brings him in an interest from the government, serves him also as money, when he has a call for it in his commercial operations.

Secondly. Agriculture and manufactures are also promoted by it: For the like reason, that more capital can be commanded to be employed in both; and because the merchant, whose enterprize in foreign trade, gives to them activity and extension, has greater means for enterprize.

Thirdly. The interest of money will be lowered by it; for this is always in a ratio, to the quantity of money, and to the quickness of circulation. This circumstance will enable both the public and individuals to borrow on easier and cheaper terms.

And from the combination of these effects, additional aids will be furnished to labour, to industry and to arts of every kind.

But these good effects of a public debt are only to be looked for, when, by being well funded, it has acquired an *adequate* and *stable* value. Till then, it has rather a contrary tendency. The fluctuation and insecurity incident to it in an unfunded state, render it a mere commodity, and a precarious one. As such, being only an object of occasional and particular speculation, all the money applied to

it is so much diverted from the more useful channels of circulation, for which the thing itself affords no substitute : So that, in fact, one serious inconvenience of an unfunded debt is, that it contributes to the scarcity of money.

This distinction which has been little if at all attended to, is of the greatest moment. It involves a question immediately interesting to every part of the community ; which is no other than this—Whether the public debt, by a provision for it on true principles, shall be rendered a *substitute* for money ; or whether, by being left as it is, or by being provided for in such a manner as will wound those principles, and destroy confidence, it shall be suffered to continue, as it is, a pernicious drain of our cash from the channels of productive industry.

The effect, which the funding of the public debt, on right principles, would have on landed property, is one of the circumstances attending such an arrangement, which has been least adverted to, though it deserves the most particular attention. The present depreciated state of that species of property is a serious calamity. The value of cultivated lands, in most of the states, has fallen since the revolution from 25 to 50 per cent. In those farthest south, the decrease is still more considerable. Indeed, if the representations, continually received from that quarter, may be credited, lands there will command no price, which may not be deemed an almost total sacrifice.

This decrease, in the value of lands, ought, in a great measure, to be attributed to the scarcity of money—Consequently whatever produces an augmentation of the monied capital of the country, must have a proportional effect in raising that value. The beneficial tendency of a funded debt, in this respect, has been manifested by the most decisive experience in Great-Britain.

The proprietors of lands would not only feel the benefit of this increase in the value of their property, and of a more prompt and better sale, when they had occasion to sell ; but the necessity of selling would be, itself, greatly diminished. As the same cause would contribute to the facility of loans, there is reason to believe, that such of them as are indebted, would be able through that resource, to satisfy their more urgent creditors.

It ought not however to be expected, that the advantages, described as likely to result from funding the public debt, would be instantaneous. It might require some time to bring the value of stock to its natural level, and to attach

to it that fixed confidence, which is necessary to its quality as money. Yet the late rapid rise of the public securities encourages an expectation, that the progress of stock to the desirable point, will be much more expeditious than could have been foreseen. And as in the mean time it will be increasing in value, there is room to conclude, that it will, from the outset, answer many of the purposes in contemplation. Particularly it seems to be probable, that from creditors, who are not themselves necessitous, it will early meet with a ready reception in payment of debts, at its current price.

Having now taken a concise view of the inducements to a proper provision for the public debt, the next enquiry which presents itself is, what ought to be the nature of such a provision? This requires some preliminary discussions.

It is agreed on all hands, that that part of the debt which has been contracted abroad, and is denominated the foreign debt, ought to be provided for, according to the precise terms of the contracts relating to it. The discussions, which can arise, therefore, will have reference essentially to the domestic part of it, or to that which has been contracted at home. It is to be regretted, that there is not the same unanimity of sentiment on this part, as on the other.

The secretary has too much deference for the opinions of every part of the community, not to have observed one, which has, more than once, made its appearance in the public prints, and which is occasionally to be met with in conversation. It involves this question, whether a discrimination ought not to be made between original holders of the public securities, and present possessors, by purchase. Those who advocate a discrimination are for making a full provision for the securities of the former, at their nominal value; but contend, that the latter ought to receive no more than the cost to them, and the interest: And the idea is sometimes suggested of making good the difference to the primitive possessor.

In favor of this scheme, it is alledged, that it would be unreasonable to pay twenty shillings in the pound, to one who had not given more for it than three or four. And it is added, that it would be hard to aggravate the misfortune of the first owner, who, probably through necessity, parted with his property at so great a loss, by obliging him to contribute to the profit of the person, who had speculated on his distresses.

The secretary, after the most mature reflection on the force of this argument, is induced to reject the doctrine it contains, as equally unjust and impolitic, as highly injurious, even to the original holders of public securities, as ruinous to public credit.

It is inconsistent with justice, because in the first place, it is a breach of contract; in violation of the rights of a fair purchaser.

The nature of the contract in its origin, is, that the public will pay the sum expressed in the security, to the first holder, or his *assignee*. The *intent*, in making the security assignable, is, that the proprietor may be able to make use of his property, by selling it for as much as it *may be worth in the market*, and that the buyer may be *safe* in the purchase.

Every buyer therefore stands exactly in the place of the seller---has the same right with him to the identical sum expressed in the security, and having acquired that right, by fair purchase, and in conformity to the original *agreement* and *intention* of the government, his claim cannot be disputed, without manifest injustice.

That he is to be considered as a fair purchaser, results from this: Whatever necessity the seller may have been under, was occasioned by the government, in not making a proper provision for its debts. The buyer had no agency in it, and therefore ought not to suffer. He is not even chargeable with having taken an undue advantage. He paid what the commodity was worth in the market, and took the risks of reimbursement upon himself. He of course gave a fair equivalent, and ought to reap the benefit of his hazard; a hazard which was far from inconsiderable, and which, perhaps, turned on little less than a revolution in government.

That the case of those, who parted with their securities from necessity, is a hard one, cannot be denied. But whatever complaint of injury, or claim of redress, they may have, respects the government solely. They have not only nothing to object to the persons who relieved their necessities, by giving them the current price of their property, but they are even under an implied condition to contribute to the reimbursement of those persons. They knew, that by the terms of the contract with themselves, the public were bound to pay to those, to whom they should convey their title, the sums stipulated to be paid to them; and, that as

citizens of the United States, they were to bear their proportion of the contribution for that purpose. This, by the act of assignment, they tacitly engage to do; and if they had an option, they could not, with integrity or good faith, refuse to do it, without the consent of those to whom they fold.

But though many of the original holders fold from necessity, it does not follow, that this was the case with all of them. It may well be supposed, that some of them did it either through want of confidence in an eventual provision, or from the allurements of some profitable speculation. How shall these different classes be discriminated from each other? How shall it be ascertained, in any case, that the money, which the original holder obtained for his security, was not more beneficial to him, than if he had held it to the present time, to avail himself of the provision which shall be made? How shall it be known, whether if the purchaser had employed his money in some other way, he would not be in a better situation, than by having applied it in the purchase of securities, though he should now receive their full amount? And if neither of these things can be known, how shall it be determined whether a discrimination, independent of the breach of contract, would not do a real injury to purchasers; and if it included a compensation to the primitive proprietors, would not give them an advantage, to which they had no equitable pretension.

It may well be imagined, also, that there are not wanting instances, in which individuals, urged by a present necessity, parted with the securities received by them from the public, and shortly after replaced them with others, as an indemnity for their first loss. Shall they be deprived of the indemnity which they have endeavoured to secure by so provident an arrangement?

Questions of this sort, on a close inspection, multiply themselves without end, and demonstrate the injustice of a discrimination, even on the most subtle calculations of equity, abstracted from the obligation of contract.

The difficulties too of regulating the details of a plan for that purpose, which would have even the semblance of equity, would be found immense. It may well be doubted whether they would not be insurmountable, and replete with such absurd, as well as inequitable consequences, as to disgust even the proposers of the measure.

As a specimen of its capricious operation, it will be sufficient to notice the effect it would have upon two persons,

who may be supposed two years ago to have purchased, each securities at three shillings in the pound, and one of them to retain those bought by him, till the discrimination should take place; the other to have parted with those bought by him, within a month past, at nine shillings. The former, who had had most confidence in the government, would in this case only receive at the rate of three shillings and the interest; while the latter, who had had less confidence would receive *for what cost him the same money* at the rate of nine shillings, and his representative, *standing in his place*, would be entitled to a like rate.

The impolicy of a discrimination results from two considerations; one, that it proceeds upon a principle destructive of that *quality* of the public debt, or the stock of the nation, which is essential to its capacity for answering the purposes of money—that is the *security of transfer*; the other, that as well on this account, as because it includes a breach of faith, it renders property in the funds less valuable; consequently induces lenders to demand a higher premium for what they lend, and produces every other inconvenience of a bad state of public credit.

It will be perceived at first sight, that the transferable quality of stock is essential to its operation as money, and that this depends on the idea of complete security to the transferee, and a firm persuasion, that no distinction can in any circumstances be made between him and the original proprietor.

The precedent of an invasion of this fundamental principle, would of course tend to deprive the community of an advantage, with which no temporary saving could bear the least comparison.

And it will as readily be perceived, that the same cause would operate a diminution of the value of stock in the hands of the first, as well as of every other holder. The price, which any man, who should incline to purchase, would be willing to give for it, would be in a compound ratio to the immediate profit it afforded, and to the chance of the continuance of his profit. If there was supposed to be any hazard of the latter, the risk would be taken into the calculation, and either there would be no purchase at all, or it would be at a proportionably less price.

For this diminution of the value of stock, every person who should be about to lend to the government, would demand a compensation; and would add to the actual difference, between the nominal and the market value, an

equivalent for the chance of greater decrease ; which, in a precarious state of public credit, is always to be taken into the account.

Every compensation of this sort, it is evident, would be an absolute loss to the government.

In the preceding discussion of the impolicy of a discrimination, the injurious tendency of it to those, who continue to be the holders of the securities, they received from the government, has been explained. Nothing need be added, on this head, except that this is an additional and interesting light, in which the injustice of the measure may be seen. It would not only divest present proprietors by purchase, of the rights they had acquired under the sanction of public faith, but it would depreciate the property of the remaining original holders.

It is equally unnecessary to add any thing to what has been already said to demonstrate the fatal influence, which the principle of discrimination would have on the public credit.

But there is still a point in view in which it will appear perhaps even more exceptionable, than in either of the former. It would be repugnant to an express provision of the constitution of the United States. This provision is, that "all debts contracted, and engagements entered into before the adoption of that constitution shall be as valid against the United States under it, as under the confederation," which amounts to a constitutional ratification of the contracts respecting the debt, in the state in which they existed under the confederation. And resorting to that standard, there can be no doubt, that the rights of assignee and original holders, must be considered as equal.

In exploding thus fully the principle of discrimination, the secretary is happy in reflecting, that he is only the advocate of what has been already sanctioned by the formal and express authority of the government of the Union, in these emphatic terms—"The remaining class of creditors (say congress in their circular address to the states, of the 26th of April, 1783) is composed, partly of such of our fellow-citizens as originally lent to the public the use of their funds, or have since manifested *most confidence* in their country, by receiving transfers from the lenders ; and partly of those, whose property has been either advanced or assumed for the public service. To *discriminate* the merits of these several descriptions of creditors, would be a task equally unnecef-

Errata. Page 10, line 28 insert after states "on which day."

sary and invidious. If the voice of humanity plead more loudly in favor of some than of others, the voice of policy, no less than of justice, pleads in favor of all. A WISE NATION will never permit those who relieve the wants of their country, or who *rely most* on its *faith*, its *firmness*, and its *resources*, when either of them is distrusted, to suffer by the event."

The secretary concluding, that a discrimination, between the different classes of creditors of the United States, cannot with propriety be *made*, proceeds to examine whether a difference ought to be permitted to *remain* between them, and another description of public creditors—Those of the states individually.

The secretary, after mature reflection on this point, entertains a full conviction, that an assumption of the debts of the particular states by the union, and a like provision for them, as for those of the union, will be a measure of sound policy and substantial justice.

It would, in the opinion of the secretary, contribute, in an eminent degree, to an orderly, stable and satisfactory arrangement of the national finances.

Admitting, as ought to be the case, that a provision must be made in some way or other, for the entire debt; it will follow, that no greater revenues will be required, whether that provision be made wholly by the United States, or partly by them, and partly by the states separately.

The principal question then must be, whether such a provision cannot be more conveniently and effectually made by one general plan issuing from one authority, than by different plans originating in different authorities.

In the first case there can be no competition for resources; in the last, there must be such a competition. The consequences of this without the greatest caution on both sides, might be interfering regulations, and thence collision and confusion. Particular branches of industry might also be oppressed by it. The most productive objects of revenue are not numerous. Either these must be wholly engrossed by one side, which might lessen the efficacy of the provisions by the other; or both must have recourse to the same objects in different modes, which might occasion an accumulation upon them, beyond what they could properly bear. If this should not happen, the caution requisite to avoiding it, would prevent the revenue's deriving the full benefit of each object. The danger of interference and of excess would be apt to impose restraints very unfriendly to the complete command of those resources, which are the

most convenient; and to compel the having recourse to others, less eligible in themselves, and less agreeable to the community.

The difficulty of an effectual command of the public resources, in case of separate provisions for the debt, may be seen in another and perhaps more striking light. It would naturally happen that different states, from local considerations, would in some instances have recourse to different objects, in others, to the same objects, in different degrees, for procuring the funds of which they stood in need. It is easy to conceive how this diversity would affect the aggregate revenue of the country. By the supposition, articles which yielded a full supply in some states, would yield nothing, or an insufficient product, in others. And hence the public revenue would not derive the full benefit of those articles, from state regulations. Neither could the deficiencies be made good by those of the union. It is a provision of the national constitution, that "all duties, imposts and excises, shall be uniform throughout the United States." And as the general government would be under a necessity from motives of policy, of paying regard to the duty, which may have been previously imposed upon any article, though but in a single state, it would be constrained, either to refrain wholly from any further imposition, upon such articles, where it had been already rated as high as was proper, or to confine itself to the difference between the existing rate, and what the article would reasonably bear. Thus the pre-occupancy of an article by a single state, would tend to arrest or abridge the impositions of the union on that article. And as it is supposable, that a great variety of articles might be placed in this situation, by dissimilar arrangements of the particular states, it is evident, that the aggregate revenue of the country would be likely to be very materially contracted by the plan of separate provisions.

If all the public creditors receive their dues from one source, distributed with an equal hand, their interest will be the same. And having the same interests, they will unite in the support of the fiscal arrangements of the government: As these, too, can be made with more convenience, where there is no competition: These circumstances combined will ensure to the revenue laws a more ready and more satisfactory execution.

If on the contrary there are distinct provisions, there will be distinct interests, drawing different ways. That union and concert of views, among the creditors, which

in every government is of great importance to their security, and to that of public credit, will not only not exist, but will be likely to give place to mutual jealousy and opposition. And from this cause, the operation of the systems which may be adopted, both by the particular states, and by the union, with relation to their respective debts, will be in danger of being counteracted.

There are several reasons, which render it probable, that the situation of the state creditors would be worse, than that of the creditors of the union, if there be not a national assumption of the state debts. Of these it will be sufficient to mention two; one, that a principal branch of revenue is exclusively vested in the union; the other, that a state must always be checked in the imposition of taxes on articles of consumption, from the want of power to extend the same regulation to the other states, and from the tendency of partial duties to injure its industry and commerce. Should the state creditors stand upon a less eligible footing than the others, it is unnatural to expect they would see with pleasure a provision for them.--- The influence which their dissatisfaction might have, could not but operate injuriously, both for the creditors, and the credit, of the United States.

Hence it is even the interest of the creditors of the union that those of the individual states should be comprehended in a general provision. Any attempt to secure to the former either exclusive or peculiar advantages, would materially hazard their interests.

Neither would it be just, that one class of the public creditors should be more favored than the other. The objects for which both descriptions of the debt were contracted, are in the main the same. Indeed a great part of the particular debts of the states has arisen from assumptions by them on account of the union. And it is most equitable, that there should be the same measure of retribution for all.

There is an objection, however, to an assumption of the state debts, which deserves particular notice. It may be supposed, that it would increase the difficulty of an equitable settlement between them and the United States.

The principles of that settlement, whenever they shall be discussed, will require all the moderation and wisdom of the government. In the opinion of the secretary, that

discussion, till further lights are obtained, would be premature.

All therefore which he would now think advisable on the point in question, would be, that the amount of the debts assumed and provided for, should be charged to the respective states, to abide an eventual arrangement. This, the United States, as assignees to the creditors, should have an indisputable right to do.

But as it might be a satisfaction to the house to have before them some plan for the liquidation of accounts between the union and its members, which, including the assumption of the state debts, would consist with equity: The secretary will submit in this place such thoughts on the subject, as have occurred to his own mind, or been suggested to him, most compatible, in his judgment, with the end proposed.

Let each state be charged with all the money advanced to it out of the treasury of the United States, liquidated according to the specie value, at the time of each advance with interest at six per cent.

Let it also be charged with the amount, in specie value, of all its securities which shall be assumed, with the interest upon them to the time, when interest shall become payable by the United States.

Let it be credited for all monies paid and articles furnished to the United States, and for all other expenditures during the war, either towards general or particular defence, whether authorized or unauthorized by the United States; the whole liquidated to specie value, and bearing an interest of six per cent. from the several times at which the several payments, advances and expenditures accrued.

And let all sums of continental money now in the treasuries of the respective states, which shall be paid into the treasury of the United States, be credited at specie value.

Upon a statement of the accounts according to these principles, there can be little doubt, that balances would appear in favor of all the states, against the United States.

To equalize the contributions of the states, let each be then charged with its proportion of the aggregate of those balances, according to some equitable ratio, to be devised for that purpose.

If the contributions should be found disproportionate, the result of this adjustment would be, that some states would be creditors, some debtors to the union.

Should this be the case, at it will be attended with less inconvenience for the United States, to have to pay balances to, than to receive them from the particular states, it may perhaps, be practicable to effect the former by a second process, in the nature of a transfer of the amount of the debts of debtor states, to the credit of the creditor states, observing the ratio by which the first apportionment shall have been made. This, whilst it would destroy the balances due from the former, would increase those due to the latter. These to be provided for by the United States, at a reasonable interest, but not to be transferable.

The expediency of this second process must depend on a knowledge of the result of the first. If the inequalities should be too great, the arrangement may be impracticable, without unduly encreasing the debt of the United States. But it is not likely, that this would be the case. It is also to be remarked, that though this second process might not, upon the principle of apportionment, bring the thing to the point aimed at, yet it may approach nearly to it, as to avoid essentially the embarrassment, of having considerable balances to collect from any of the states.

The whole of this arrangement to be under the superintendence of commissioners, vested with equitable discretion, and final authority.

The operation of the plan is exemplified in the schedule A.

The general principle of it seems to be equitable, for it appears difficult to conceive a good reason, why the expences for the particular defence of a part in a common war, should not be a common charge, as well as those incurred professedly for the general defence. The defence of each part is that of the whole; and unless all the expenditures are brought into a common mass, the tendency must be, to add, to the calamities suffered, by being the most exposed to the ravages of war, and increase of burthens.

This plan seems to be susceptible of no objection, which does not belong to every other, that proceeds on the idea of a final adjustment of accounts. The difficulty of settling a ratio, is common to all. This must, proba-

bly, either be sought for in the proportions of the requisitions, during the war, or in the decision of commissioners appointed with plenary power. The rule prescribed in the constitution, with regard to representation and direct taxes, would evidently not be applicable to the situation of parties, during the period in question.

The existing debt of the United States is excluded from the computation, as it ought to be, because it will be provided for out of a general fund.

The only discussion of a preliminary kind, which remains, relates to the distinctions of the debt into principal and interest. It is well known that the arrears of the latter bear a large proportion to the amount of the former. The immediate payment of these arrears is evidently impracticable, and a question arises, what ought to be done with them?

There is good reason to conclude, that the impressions of many are more favorable to the claim of the principal than to that of the interest; at least so far, as to produce an opinion, that an inferior provision might suffice for the latter.

But to the secretary, this opinion does not appear to be well founded. His investigations of the subject, have led him to a conclusion, that the arrears of interest have pretensions, at least equal to the principal.

The liquidated debt, traced to its origin, falls under two principal discriminations. One, relating to loans; the other to services performed and articles supplied.

The part arising from loans, was at first made payable at fixed periods, which have long since elapsed, with an early option to lenders, either to receive back their money at the expiration of those periods, or to continue it at interest, 'till the whole amount of continental bills circulating should not exceed the sum in circulation at the time of each loan. This contingency, in the sense of the contract, never happened; and the presumption is, that the creditors preferred continuing their money indefinitely at interest, to receiving it in a depreciated and depreciating state.

The other parts of it were chiefly for objects, which ought to have been paid for at the time, that is, when the services were performed or the supplies furnished; and were not accompanied with any contract for interest.

But by different acts of government and administration, concurred in by the creditors, these parts of the debt have been converted into a capital, bearing an interest of six per cent. per annum, but without definite period of redemption. A portion of the loan office debt has been exchanged for new securities of that import. And the whole of it seems to have acquired that character, after the expiration of the periods prefixed for repayment.

If this view of the subject be a just one, the capital of the debt of the United States, may be considered in the light of an annuity at the rate of six per cent. per annum, redeemable at the pleasure of the government, by payment of the principal. For it seems to be a clear position that when a public contracts a debt payable with interest, without any precise time being stipulated or understood for payment of the capital, that time is a matter of pure discretion with the government, which is at liberty to consult its own convenience respecting it, taking care to pay the interest with punctuality.

Wherefore, as long as the United States should pay the interest of their debt, as it accrued, their creditors would have no right to demand the principal.

But with regard to the arrears of interest, the case is different. These are now due, and those to whom they are due, have a right to claim immediate payment. To say, that it would be impracticable to comply, would not vary the nature of the right. Nor can this idea of impracticability be honorably carried further than to justify the proposition of a new contract, upon the basis of a commutation of that right for an equivalent. This equivalent too ought to be a real and fair one. And what other fair equivalent can be imagined for the detention of money, but a reasonable interest? Or what can be the standard of that interest, but the market rate, or the rate which the government pays in ordinary cases?

From this view of the matter, which appears to be the accurate and true one, it will follow, that the arrears of interest are entitled to an equal provision with the principal of the debt.

The result of the foregoing discussions is this—That there ought to be no discrimination between the original holders of the debt, and present possessors by purchase—That it is expedient there should be an assumption of the state debts

by the union, and that the arrears of interest should be provided for on an equal footing with the principal.

The next enquiry, in order, towards determining the nature of a proper provision, respects the quantum of the debt, and the present rates of interest.

The debt of the union is distinguishable into foreign and domestic.

	dolls.	cents.	dolls.	cents.
The foreign debt, as stated in the schedule B. amounts to principal,	-	-	10,070,307	
bearing an interest of four, and partly an interest of five per cent.				

Arrears of interest to the last of December, 1789,	1,640,071-62
--	--------------

Making together, dollars 11,710,378-62

The domestic debt may be subdivided into liquidated and unliquidated; principal and interest.

The principal of the liquidated part, as stated in the schedule C. amounts to	27,383,917-74
bearing an interest of six per cent.	

The arrears of interest, as stated in the schedule D. to the end of 1790, amount to	13,030,168-20
---	---------------

Making together, dollars 40,144,085-94

This includes all that has been paid in indents (except what has come into the treasury of the United States) which in the opinion of the secretary, can be considered in no other light than as interest due.

The unliquidated part of the domestic debt, which consists chiefly of the continental bills of credit, is not ascertained, but may be estimated at dollars

2,000,000

These several sums constitute the whole of the debt of the United States, amounting together to dollars

54,124,464-56

That of the individual states is not equally well ascertained. The schedule E shews the extent to which it has been

is now deemed sufficient for the current service; and that, should the faculties of the country be exhausted or even *strained* to provide for the public debt, there could be less reliance on the sacredness of the provision.

But while the secretary yields to the force of these considerations, he does not lose sight of those fundamental principles of good faith, which dictate, that every practicable exertion ought to be made, scrupulously to fulfil the engagements of the government; that no change in the rights of its creditors ought to be attempted without their voluntary consent; and that this consent ought to be voluntary in fact, as well as in name. Consequently, that every proposal of a change ought to be in the shape of an appeal to their reason and to their interest; not to their necessities. To this end it is requisite, that a fair equivalent should be offered for what may be asked to be given up, and unquestionable security for the remainder. Without this, an alteration, consistently with the credit and honor of the nation, would be impracticable.

It remains to see, what can be proposed in conformity to these views.

It has been remarked, that the capital of the debt of the union is to be viewed in the light of an annuity at the rate of six per cent. per annum, redeemable at the pleasure of the government, by payment of the principal. And it will not be required, that the arrears of interest should be considered in a more favourable light. The same character, in general, may be applied to the debts of the individual states.

This view of the subject admits, that the United States would have it in their power to avail themselves of any fall in the market rate of interest, for reducing that of the debt.

This property of the debt is favourable to the public; unfavourable to the creditor. And may facilitate an arrangement for the reduction of interest, upon the basis of a fair equivalent.

Probabilities are always a rational ground of contract. The secretary conceives, that there is good reason to believe, if effectual measures are taken to establish public credit, that the government rate of interest in the United States, will, in a very short time, fall at least as low as five per cent. and that in a period not exceeding twenty years, it will sink still lower, probably to four.

There are two principal causes which will be likely to produce this effect ; one, the low rate of interest in Europe ; the other, the increase of the monied capital of the nation, by the funding of the public debt.

From three to four per cent. is deemed good interest in several parts of Europe. Even less is deemed so, in some places. And it is on the decline ; the increasing plenty of money continually tending to lower it. It is presumable, that no country will be able to borrow of foreigners upon better terms, than the United States, because none can, perhaps, afford so good security. Our situation exposes us less, than that of any other nation, to those casualties, which are the chief causes of expence ; our incumbrances, in proportion to our real means, are less, though these cannot immediately be brought so readily into action, and our progress in resources from the early state of the country, and the immense tracts of unsettled territory, must necessarily exceed that of any other. The advantages of this situation have already engaged the attention of the European money-lenders, particularly among the Dutch. And as they become better understood, they will have the greater influence. Hence as large a proportion of the cash of Europe as may be wanted, will be, in a certain sense, in our market, for the use of government. And this will naturally have the effect of a reduction of the rate of interest, not indeed to the level of the places, which send their money to market, but to something much nearer to it, than our present rate.

The influence, which the funding of the debt is calculated to have, in lowering interest, has been already remarked and explained. It is hardly possible, that it should not be materially affected by such an increase of the monied capital of the nation, as would result from the proper funding of seventy millions of dollars. But the probability of a decrease in the rate of interest, acquires confirmation from facts, which existed prior to the revolution. It is well known, that in some of the states, money might with facility be borrowed, on good security, at five per cent. and, not unfrequently, even at less.

The most enlightened of the public creditors will be most sensible of the justness of this view of the subject, and of the propriety of the use which will be made of it.

The secretary, in pursuance of it, will assume, as a probability sufficiently great, to be a ground of calculation,

both on the part of the government and of its creditors—That the interest of money in the United States will, in five years, fall to five per cent. and in twenty, to four. The probability, in the mind of the secretary, is rather that the fall may be more rapid and more considerable ; but he prefers a mean, as most likely to engage the assent of the creditors, and more equitable in itself ; because it is predicated on probabilities, which may err on one side, as well as on the other.

Premising these things, the secretary submits to the house, the expediency of proposing a loan to the full amount of the debt, as well of the particular states, as of the union upon the following terms.

First—That for every hundred dollars subscribed, payable in the debt (as well interest as principal) the subscriber be entitled, at his option, either

To have two thirds funded at an annuity, or yearly interest of six per cent. redeemable at the pleasure of the government, by payment of the principal ; and to receive the other third in lands in the Western Territory, at the rate of twenty cents per acre. Or,

To have the whole sum funded at an annuity or yearly interest of four per cent. irredeemable by any payment exceeding five dollars per annum on account both of principal and interest ; and to receive, as a compensation for the reduction of interest, fifteen dollars and eighty cents, payable in lands, as in the preceeding case. Or,

To have sixty-six dollars and two thirds of a dollar funded immediately at an annuity or yearly interest of six per cent. irredeemable by any payment exceeding four dollars and two thirds of a dollar per annum, on account both of principle and interest ; and to have, at the end of ten years twenty-six dollars and eighty-eight cents, funded at the like interest and rate of redemption. Or,

To have an annuity for the remainder of life, upon the contingency of living to a given age, not less distant than ten years, computing interest at four per cent. Or,

To have an annuity for the remainder of life, upon the contingency of the survivorship of the youngest of two persons, computing interest in this case also, at four per cent.

In addition to the foregoing loan, payable wholly in the debt, the secretary would propose, that one should be opened for ten millions of dollars, on the following plan.

That for every hundred dollars subscribed, payable one half in specie, and the other half in debt (as well principal

as interest) the subscriber be entitled to an annuity or yearly interest of five per cent. irredeemable by any payment exceeding six dollars per annum, on account both of principal and interest.

The principles and operation of these different plans may now require explanation.

The first is simply a proposition for paying one third of the debt in land, and funding the other two-thirds, at the existing rate of interest, and upon the same terms of redemption, to which it is at present subject.

Here is no conjecture, no calculation of probabilities.—The creditor is offered the advantage of making his interest principal, and he is asked to facilitate to the government an effectual provision for his demands, by accepting a third part of them in land, at a fair valuation.

The general price, at which the western lands have been heretofore sold, has been a dollar per acre in public securities; but at the time the principal purchases were made, these securities were worth, in the market, less than three shillings in the pound. The nominal price, therefore, would not be the proper standard, under present circumstances, nor would the precise specie value then given, be a just rule. Because, as the payments were to be made by instalments, and the securities were, at the times of the purchases, extremely low, the probability of a moderate rise must be presumed to have been taken into the account. Twenty cents, therefore, seem to bear an equitable proportion to the two considerations of value at the time, and likelihood of increase.

It will be understood, that upon this plan, the public retains the advantage of availing itself of any fall in the market rate of interest, for reducing that upon the debt, which is perfectly just, as no present sacrifice, either in the quantum of the principal, or in the rate of interest, is required from the creditor.

The inducement to the measure is, the payment of one third of the debt in land.

The second plan is grounded upon the supposition, that interest, in five years, will fall to five per cent. in fifteen more to four. As the capital remains entire, but bearing an interest of four per cent. only, compensation is to be made to the creditor, for the interest of two per cent. per annum for five years, and of one per cent. per annum, for fifteen years, to commence at the distance of five years. The present value of these two sums or annuities, com-

puted according to the terms of the supposition, is, by strict calculation, fifteen dollars and seven hundred and ninety-two thousandth parts of a dollar ; a fraction less than the sum proposed.

The inducement to the measure here is, the reduction of interest to a rate, more within the compass of a convenient provision ; and the payment of the compensation in lands.

The inducements to the individual are—the accommodation afforded to the public—the high probability of a complete equivalent—the chance even of gain, should the rate of interest fall, either more speedily or in a greater degree, than the calculation supposes. Should it fall to five per cent. sooner than five years ; should it fall lower than five before the additional fifteen were expired ; or should it fall below four, previous to the payment of the debt, there would be, in each case, an absolute profit to the creditor. As his capital will remain entire, the value of it will encrease, with every decrease of the rate of interest.

The third plan proceeds upon the like supposition of a successive fall in the rate of interest. And upon that supposition offers an equivalent to the creditor. One hundred dollars, bearing an interest of six per cent. for five years ; of five per cent. for fifteen years, and thenceforth of four per cent. (these being the successive rates of interest in the market) is equal to a capital of 122 dollars, 510725 parts, bearing an interest of four per cent. which, converted into a capital, bearing a fixed rate of interest, of six per cent. is equal to

81 dollars, 6738166 parts,
The difference between sixty-six dollars and two-thirds
of a dollar (the sum to be funded immediately) and this
last sum is
15 dollars, 9172 parts
which at six per cent. per annum, amounts at the end of ten
years, to
26 dollars, 8755 parts,
the sum to be funded at the expiration of that period.

It ought, however, to be acknowledged, that this calculation does not make allowance for the principle of redemption, which the plan itself includes ; upon which principle the equivalent in a capital of six per cent. would be by strict calculation,

87 dollars, 50766 parts.

But there are two considerations which induce the secretary to think, that the one proposed would operate more equitably than this : One is that it may not be very early in the power of the United States to avail themselves of the right of redemption reserved in the plan : The other is, that with regard to the part to be funded at the end of ten

years, the principle of redemption is suspended during that time, and the full interest at six per cent. goes on *improving* at the *same rate*; which for the *last five years* will exceed the market rate of interest, according to the supposition.

The equivalent is regulated in this plan, by the circumstance of fixing the rate of interest higher than it is supposed it will continue to be in the market; permitting only a gradual discharge of the debt, in an established proportion, and consequently preventing advantage being taken of any decrease of interest below the stipulated rate.

Thus the true value of eighty-one dollars and sixty-seven cents, the capital proposed, considered as a perpetuity, and bearing six per cent. interest, when the market rate of interest was five per cent. would be a small fraction more than ninety-eight dollars, when it was four per cent. would be one hundred and twenty-two dollars and fifty-one cents. But the proposed capital being subject to gradual redemption, it is evident, that its value, in such case, would be somewhat less. Yet from this may be perceived, the manner in which a less capital at a fixed rate of interest, becomes an equivalent for a greater capital, at a rate liable to variation and diminution.

It is presumable, that those creditors, who do not entertain a favorable opinion of property in western lands, will give a preference to this last mode of modelling the debt. The secretary is sincere in affirming, that, in his opinion, it will be likely to prove, *to the full* as beneficial to the creditors, as a provision for his debt upon its present terms.

It is not intended, in either case to oblige the government to redeem, in the proportion specified, but to secure to it, the right of doing so, to avoid the inconvenience of a perpetuity.

The fourth and fifth plans abandon the supposition which is the basis of the two preceding ones, and offer only four per cent. throughout.

The reason of this is, that the payment being deferred, there will be an accumulation of compound interest, in the intermediate period against the public, which, without a very provident administration, would turn to its detriment. And the suspension of the burthen would be too apt to beget a relaxation of efforts in the mean time.

The measures therefore, its object being temporary accommodation, could only be advisable upon a moderate rate of interest.

With regard to individuals, the inducement will be sufficient at four per cent. There is no disposition of money, in private loans, making allowance for the usual delays and casualties, which would be equally beneficial as a future provision.

A hundred dollars advanced upon the life of a person of eleven years old, would produce an annuity*.

	<i>Dollars. Parts.</i>	
If commencing at twenty-one, of	-	10 346
If commencing at thirty-one, of	- -	18 803
If commencing at forty-one, of	-	37 286
If commencing at fifty-one, of	- -	78 580

The same sum advanced upon the chance of the survivorship of the youngest of two lives, one of the persons being twenty-five, the other thirty years old, would produce, if the youngest of the two, should survive, an annuity † for the remainder of life, of 23 dollars, 556 parts.

From these instances may readily be discerned, the advantages, which these deferred annuities afford, for securing a comfortable provision for the evening of life, or for wives, who survive their husbands.

The sixth plan also relinquishes the supposition, which is the foundation of the second, and third, and offers a higher rate of interest upon similar terms of redemption, for the consideration of the payment of one half of the loan in specie. This is a plan highly advantageous to the creditors, who may be able to make that payment; while the specie itself could be applied in purchases of the debt, upon terms, which would fully indemnify the public for the increased interest.

It is not improbable, that foreign holders of the domestic debt, may embrace this as a desirable arrangement.

As an auxiliary expedient, and by way of experiment, the secretary would propose a loan upon the principles of a tontine.‡

To consist of six classes, composed respectively of persons of the following ages :

First class, of those of 20 years and under.

* See Schedule F. † Schedule G. Schedule H.

Second class, of those above 20, and not exceeding 30.

Third class, of those above 30, and not exceeding 40.

Fourth class, of those above 40, and not exceeding 50.

Fifth class, of those above 50, and not exceeding 60.

Sixth class, of those above 60.

Each share to be two hundred dollars. The number of shares in each class, to be indefinite. Persons to be at liberty to subscribe on their own lives, or on those of others nominated by them.

	<i>Dollars.</i>	<i>Cents.</i>
The annuity upon a share in the first class to be	8	40
upon a share in the second	- 8	65
upon a share in the third	- 9	0
upon a share in the fourth	- 9	65
upon a share in the fifth	- 10	70
upon a share in the sixth	- 12	80

The annuities of those who die, to be equally divided among the survivors, until four-fifths shall be dead, when the principle of survivorship shall cease, and each annuitant thenceforth enjoy his dividend as a several annuity during the life upon which it shall depend.

These annuities are calculated on the best life in each class, and at a rate of interest of four per cent. with some deductions in favor of the public. To the advantages which these circumstances present, the cessation of the right of survivorship on the death of four-fifths of the annuitants, will be no inconsiderable addition.

The inducements to individuals are a competent interest for their money from the outset, secured for life, and the prospect of continual encrease, and even of large profit to those, whose fortune it is, to survive their associates.

It will have appeared, that in all the proposed loans the secretary has contemplated the putting the interest upon the same footing with the principal: That on the debt of the United States, he would have computed to the last of the present year: That on the debt of the particular states, to the last of the year 1791; the reason for which distinction will be seen hereafter.

In order to keep up a due circulation of money, it will be expedient that the interest of the debt should be paid quarter-yearly. This regulation will, at the same time, conduce to the advantage of the public creditors, giving them, in fact, by the anticipation of payment, a highest rate of interest; which may, with propriety, be taken into the esti-

mate of the compensation to be made to them. Six per cent. per annum, paid in this mode, will truly be worth six dollars, and one hundred and thirty-five thousandth parts of a dollar, computing the market interest at the same rate.

The secretary thinks it advisable, to hold out various propositions, all of them compatible with the public interest, because it is, in his opinion, of the greatest consequence, that the debt should, with the consent of the creditors, be remoulded into such a shape, as will bring the expenditure of the nation to a level with its income. 'Till this shall be accomplished, the finances of the United States will never wear a proper countenance. Arrears of interest, continually accruing, will be as continual a monument, either of inability, or of ill faith; and will not cease to have an evil influence on public credit. In nothing are appearances of greater moment, than in whatever regards credit. Opinion is the soul of it, and this is affected by appearances, as well as realities. By offering an option to the creditors, between a number of plans, the change meditated will be more likely to be accomplished. Different tempers will be governed by different views of the subject.

But while the secretary would endeavor to effect a change in the form of the debt, by new loans, in order to render it more susceptible of an adequate provision, he would not think it proper to aim at procuring the concurrence of the creditors by operating upon their necessities.

Hence whatever surplus of revenue might remain, after satisfying the interest of the new loans, and the demand for the current service, ought to be divided among those creditors, if any, who may not think fit to subscribe to them.— But for this purpose, under the circumstance of depending propositions, a temporary appropriation will be most advisable, and the sum must be limited to four per cent. as the revenues will only be calculated to produce, in that proportion, to the entire debt.

The secretary confides, for the success of the propositions to be made, on the goodness of the reasons upon which they rest; on the fairness of the equivalent to be offered in each case; on the discernment of the creditors of their true interest; and on their disposition to facilitate the arrangements of the government, and to render them satisfactory to the community.

The remaining part of the task to be performed is, to take a view of the means of providing for the debt, according to the modification of it, which is proposed.

On this point the secretary premises, that, in his opinion, the funds to be established, ought, for the present, to be confined to the existing debt of the United States; as well, because a progressive augmentation of the revenue will be most convenient, as because the consent of the state creditors is necessary to the assumption contemplated; and though the obtaining of that consent may be inferred with great assurance, from their obvious interest to give it; yet, till it shall be obtained, an actual provision for the debt, would be premature. Taxes could not, with propriety, be laid for an object which depended on such a contingency.

All that ought now to be done respecting it, is, to put the matter in an effectual train for a future provision. For which purpose, the secretary will, in the course of this report, submit such propositions as appear to him advisable.

The secretary now proceeds to a consideration of the necessary funds.

It has been stated that the debt of the United States consists of

	<i>Dollars.</i>	<i>Cents.</i>
The foreign debt, amounting, with arrears of interest, to	11,710,378	62
And the domestic debt amounting, with like arrears, computed to the end of the year 1790, to	42,414,085	94

Making together, 54,124,464 56

The interest on the domestic debt is computed to the end of this year, because the details of carrying any plan into execution, will exhaust the year.

The annual interest of the foreign
debt has been stated at 542,599 66

And the interest on the domestic debt
at four per cent. would amount to 1,696,563 43

Making together, 2,239,163 09

Thus to pay the interest of the foreign debt, and to pay four per cent. on the whole of the domestic debt, principal and interest, forming a new capital,

will require a yearly income of 2,239,163 dollars, 9 cents.

The sum which, in the opinion of the secretary, ought now to be provided in addition to what the current service will require.

For, though the rate of interest, proposed by the third plan, exceeds four per cent. on the whole debt, and the an-

nuities on the tontine will also exceed four per cent. on the sums which may be subscribed ; yet, as the actual provision for a part is, in the former case, suspended ; as measures for reducing the debt, by purchases, may be advantageously pursued, and as the payment of the deferred annuities will of course be postponed, four per cent. on the whole, will be a sufficient provision.

With regard to the instalments of the foreign debt, these, in the opinion of the secretary, ought to be paid by new loans abroad. Could funds be conveniently spared, from other exigencies, for paying them, the United States could ill bear the drain of cash, at the present juncture, which the measure would be likely to occasion.

But to the sum which has been stated for payment of the interest, must be added a provision for the current service. This the secretary estimates at six hundred thousand dollars ; * making, with the amount of the interest, two millions, eight hundred and thirty-nine thousand, one hundred and sixty-three dollars, and nine cents.

This sum may, in the opinion of the secretary, be obtained from the present duties on imports and tonnage, with the additions which, without any possible disadvantage either to trade, or agriculture, may be made on wines, spirits, including those distilled within the United States, teas and coffee.

The secretary conceives, that it will be sound policy to carry the duties upon articles of this kind, as high as will be consistent with the practicability of a safe collection. This will lessen the necessity, both of having recourse to direct taxation, and of accumulating duties where they would be more inconvenient to trade, and upon objects which are more to be regarded as necessaries of life,

That the articles which have been enumerated, will, better than most others, bear high duties, can hardly be a question. They are all of them, in reality—luxuries—the greatest part of them foreign luxuries ; some of them, in the excess in which they are used, pernicious luxuries. And there is, perhaps, none of them, which is not consumed in so great abundance, as may justly denominate it, a source of national extravagance and impoverishment. The consumption of ardent spirits particularly, no doubt very much on account of their cheapness, is carried to an extreme, which is truly to

* See Schedule I.

be regretted, as well in regard to the health and the morals, as to the œconomy of the community.

Should the increase of duties tend to a decrease of the consumption of those articles, the effect would be in every respect desirable. The saving which it would occasion, would leave individuals more at their ease, and promote a more favorable balance of trade. As far as this decrease might be applicable to distilled spirits, it would encourage the substitution of cyder and malt liquors, benefit agriculture, and open a new and productive source of revenue.

It is not however, probable, that this decrease would be in a degree, which would frustrate the expected benefit to the revenue from raising the duties. Experience has shewn that luxuries of every kind, lay the strongest hold on the attachments of mankind, which, especially when confirmed by habit, are not easily alienated from them.

The same fact affords a security to the merchant, that he is not likely to be prejudiced by considerable duties on such articles. They will usually command a proportional price. The chief things in this view to be attended to, are, that the terms of payment be so regulated, as not to require inconvenient advances, and that the mode of collection be secure.

To other reasons, which plead for carrying the duties upon the articles which have been mentioned, to as great an extent as they will well bear, may be added these; that they are of a nature, from their extensive consumption, to be very productive, and are amongst the most difficult objects of illicit introduction.

Invited by so many motives to make the best use of the resource, which these articles afford, the essential enquiry is—in what mode can the duties upon them be most effectually collected?

With regard to such of them, as will be brought from abroad, a duty on importation recommends itself by two leading considerations; one is, that meeting the object at its first entrance into the country, the collection is drawn to a point, and so far simplified; the other is, that it avoids the possibility of interference between the regulations of the United States, and those of the particular states.

But a duty, the precautions for the collection of which should terminate with the landing of the goods, as is essentially the case in the existing system, could not, with safety, be carried to the extent, which is contemplated.

In that system, the evasion of the duties, depends as it were, on a single risk. To land the goods in defiance of the vigilance of the officers of the customs, is almost, the sole difficulty. No future pursuit, is materially, to be apprehended. And where the inducement is equivalent to the risk, there will be found too many, who are willing to run it. Consequently there will be extensive frauds on the revenue, against which the utmost rigor of penal laws, has proved, as often as it has been tried, an ineffectual guard.

The only expedient which has been discovered, for conciliating high duties with a safe collection, is, the establishment of a *second*, or interior scrutiny.

By pursuing the article, from its importation, into the hands of the dealers in it, the risk of detection is so greatly enhanced, that few, in comparison, will venture to incur it. Indeed every dealer, who is not himself the fraudulent importer, then becomes, in some sort, a sentinel upon him.

The introduction of a system, founded on this principle; in some shape or other, is, in the opinion of the secretary, essential to the efficacy of every attempt, to render the revenues of the United States equal to their exigencies, their safety, their prosperity, their honor.

Nor is it less essential to the interest of the honest and fair trader. It might even be added, that every individual citizen, besides his share in the general weal, has a particular interest in it. The practice of smuggling never fails to have one of two effects, and sometimes unites them both. Either the smuggler undersells the fair trader, as, by saving the *duty*, he can afford to do, and makes it a charge upon him; or he sells at the increased price occasioned by the duty, and defrauds every man who buys of him, of his share of what the public ought to receive. For it is evident, that the loss falls ultimately upon the citizens, who must be charged with other taxes to make good the deficiency, and supply the wants of the state.

The secretary will not presume, that the plan, which he shall submit to the consideration of the house, is the best that could be devised. But it is the one, which has appeared to him freeest from objections of any, that has occurred of equal efficacy. He acknowledges too, that it is susceptible of improvement, by other precautions in favor of the revenue, which he did not think it expedient

to add. The chief outlines of the plan are not original, but it is no ill recommendation of it, that it has been tried with success.

The secretary accordingly proposes,

That the duties heretofore laid upon wines, distilled spirits, teas and coffee, should, after the last day of May next, cease, and that instead of them, the following duties be laid.—

Upon every gallon of Madeira wine, of the quality of London particular, thirty-five cents.

Upon every gallon of other Madeira wine, thirty cents.

Upon every gallon of Sherry, twenty-five cents.

Upon every gallon of other wine, twenty cents.

Upon every gallon of distilled spirits, more than ten per cent. below proof, according to Dica's hydrometer, twenty cents.

Upon every gallon of those spirits under five, and not more than ten per cent. below proof, according to the same hydrometer, twenty-one cents.

Upon every gallon of those spirits of proof, and not more than five per cent. below proof, according to the same hydrometer, twenty-two cents.

Upon every gallon of those spirits above proof, but not exceeding twenty per cent. according to the same hydrometer, twenty-five cents.

Upon every gallon of those spirits more than twenty, and not more than forty per cent. above proof, according to the same hydrometer, thirty cents.

Upon every gallon of those spirits more than forty per cent. above proof, according to the same hydrometer, forty cents.

Upon every pound of hyson tea, forty cents.

Upon every pound of other green tea, twenty-four cents.

Upon every pound of fouchong and other black teas, except bohea, twenty cents.

Upon every pound of bohea, twelve cents.

Upon every pound of coffee, five cents.

That upon spirits distilled within the United States, from molasses, sugar, or other foreign materials, there be paid—

Upon every gallon of those spirits, more than ten per cent. below proof, according to Dica's hydrometer, eleven cents.

Upon every gallon of those spirits under five, and not more than ten per cent. below proof, according to the same hydrometer, twelve cents.

Upon every gallon of those spirits of proof, and not more than five per cent. below proof, according to the same hydrometer, thirteen cents.

Upon every gallon of those spirits, above proof, but not exceeding twenty per cent. according to the same hydrometer, fifteen cents.

Upon every gallon of those spirits, more than twenty, and not more than forty per cent. above proof, according to the same hydrometer, twenty cents.

Upon every gallon of those spirits more than forty per cent. above proof, according to the same hydrometer, thirty cents.

That upon spirits distilled within the United States, in any city, town or village, from materials of the growth or production of the United States, there be paid—

Upon every gallon of those spirits more than ten per cent. below proof, according to Dica's hydrometer, nine cents.

Upon every gallon of those spirits under five, and not more than ten per cent. below proof, according to the same hydrometer, ten cents.

Upon every gallon of those spirits of proof, and not more than five per cent. below proof, according to the same hydrometer, eleven cents.

Upon every gallon of those spirits above proof, but not exceeding twenty per cent. according to the same hydrometer, thirteen cents.

Upon every gallon of those spirits more than twenty, and not more than forty per cent. above proof, according to the same hydrometer, seventeen cents.

Upon every gallon of those spirits more than forty per cent. above proof, according to the same hydrometer, twenty-five cents.

That upon all stills employed in distilling spirits from materials of the growth or production of the United States, in any other place, than a city, town or village, there be paid the yearly sum of sixty cents, for every gallon, English wine measure, of the capacity of each still, including its head.

The secretary does not distribute the duties on teas into different classes, as has been done in the impost act of the last session; because this distribution depends on considerations of commercial policy, not of revenue. It is sufficient

therefore, for him to remark, that the rates above specified, are proposed with reference to the lowest class.

The secretary conceiving, that he could not convey an accurate idea of the plan contemplated by him, for the collection of these duties, in any mode so effectual as by the draft of a bill for the purpose, begs leave respectfully to refer the house to that, which will be found annexed to this report, relatively to the article of distilled spirits; and which, for the better explanation of some of its parts, is accompanied with marginal remarks.

It would be the intention of the secretary, that the duty on wines should be collected upon precisely the same plan with that on imported spirits.

But with regard to teas and coffee, the secretary is inclined to think, that it will be expedient, till experience shall evince the propriety of going further to exclude the *ordinary* right of the officers to visit and inspect the places in which those articles may be kept. The other precautions, without this, will afford, though not complete, considerable security.

It will not escape the observation of the house, that the secretary, in the plan submitted, has taken the most scrupulous care, that those citizens upon whom it is immediately to operate, be secured from every species of injury by the misconduct of the officers to be employed. There are not only strong guards against their being guilty of abuses of authority; they are not only punishable, criminally, for any they may commit, and made answerable in damages, to individuals, for whatever prejudice these may sustain by their acts or neglects: But even where seizures are made with probable cause, if there be an acquittal of the article seized, a compensation to the proprietors for the injury their property may suffer, and even for its detention, is to be made out of the public treasury.

So solicitous indeed has the secretary been, to obviate every appearance of hardship, that he has even included a compensation to the dealers, for their agency in aid of the revenue.

With all these precautions to manifest a spirit of moderation and justice on the part of the government: And when it is considered, that the object of the proposed system is the firm establishment of public credit; that on this depends the character, security and prosperity of the nation; that

advantages in every light important, may be expected to result from it ; that the immediate operation of it will be upon an enlightened class of citizens, zealously devoted to good government, and to a liberal and enlarged policy, and that it is peculiarly the interest of the virtuous part of them to co-operate in whatever will restrain the spirit of illicit traffic ; there will be perceived to exist, the justest ground of confidence, that the plan, if eligible in itself, will experience the cheerful and prompt acquiescence of the community.

The secretary computes the nett product of the duties proposed in this report at about one million seven hundred and three thousand four hundred dollars, according to the estimate in the schedule K, which if near the truth, will, together with the probable product of the duties on imports and tonnage, complete the sum required. But it will readily occur, that in so unexplored a field there must be a considerable degree of uncertainty in the data. And that, on this account, it will be prudent to have an auxiliary resource for the first year, in which the interest will become payable, that there may be no possibility of disappointment to the public creditors, ere there may be an opportunity of providing for any deficiency, which the experiment may discover. This will accordingly be attended to.

The proper appropriation of the funds provided, and to be provided, seems next to offer itself to consideration.

On this head, the secretary would propose, that the duties on distilled spirits, should be applied in the first instance, to the payment of the interest of the foreign debt.

That reserving out of the residue of those duties an annual sum of six hundred thousand dollars, for the current service of the United States ; the surplus, together with the product of the other duties, be applied to the payment of the interest on the new loan, by an appropriation, co-extensive with the duration of the debt.

And that if any part of the debt should remain unsubscribed, the excess of the revenue be divided among the creditors of the unsubscribed part, by a temporary disposition ; with a limitation, however, to four per cent.

It will hardly have been unnoticed, that the secretary has been thus far silent on the subject of the post-office. The reason is, that he has had in view the application of the revenue arising from that source, to the purposes of a sinking fund. The post-master-general gives it as his opinion, that the immediate product of it, upon a proper arrangement,

would probably be not less than one hundred thousand dollars. And from its nature, with good management, it must be a growing, and will be likely to become a considerable fund. The post-master-general is now engaged in preparing a plan, which will be the foundation of a proposition for a new arrangement of the establishment. This, and some other points relative to the subject referred to the secretary, he begs leave to reserve for a future report.

Persuaded as the secretary is, that the proper funding of the present debt, will render it a national blessing: Yet he is so far from acceding to the position, in the latitude in which it is sometimes laid down, that "public debts are public benefits," a position inviting to prodigality, and liable to dangerous abuse,—that he ardently wishes to see it incorporated, as a fundamental maxim, in the system of public credit of the United States, that the creation of debt should always be accompanied with the means of extinguishment. This he regards as the true secret for rendering public credit immortal. And he presumes, that it is difficult to conceive a situation, in which there may not be an adherence to the maxim. At least he feels an unfeigned solicitude, that this may be attempted by the United States, and that they may commence their measures for the establishment of credit, with the observance of it.

Under this impression, the secretary proposes, that the nett product of the post-office, to a sum not exceeding one million of dollars, be vested in commissioners, to consist of the vice-president of the United States or President of the senate, the speaker of the house of representatives, the chief justice, secretary of the treasury, and attorney-general of the United States, for the time being, in trust, to be applied, by them, or any three of them, to the discharge of the existing public debt, either by purchases of stock in the market, or by payments on account of the principal, as shall appear to them most adviseable, in conformity to the public engagements; to continue so vested, until the whole of the debt shall be discharged.

As an additional expedient for effecting a reduction of the debt, and for other purposes which will be mentioned, the secretary would further propose that the same commissioners be authorised, with the approbation of the president of the United States, to borrow, on their credit, a sum not exceeding twelve millions of dollars, to be applied

First. To the payment of the interest and instalments of the foreign debt, to the end of the present year, which will require 3,491,923 dollars, and 46 cents.

Secondly. To the payment of any deficiency which may happen in the product of the funds provided for paying the interest of the domestic debt.

Thirdly. To the effecting a change in the form of such part of the foreign debt, as bears an interest of five per cent. It is conceived, that, for this purpose, a new loan, at a lower interest, may be combined with other expedients. The remainder of this part of the debt, after paying the instalments which will accrue in the course of 1790, will be 3,888,888 dollars, and 81 cents.

Fourthly. To the purchase of the public debt at the price it shall bear in the market, while it continues below its true value. This measure, which would be, in the opinion of the secretary, highly dishonorable to the government, if it were to precede a provision for funding the debt, would become altogether unexceptionable, after that had been made. Its effect would be in favor of the public creditors, as it would tend to raise the value of stock. And all the difference, between its true value, and the actual price, would be so much clear gain to the public. The payment of foreign interest on the capital to be borrowed for this purpose, should that be a necessary consequence, would not, in the judgment of the secretary, be a good objection to the measure. The saving by the operation would be itself, a sufficient indemnity; and the employment of that capital, in a country situated like this, would much more than compensate for it. Besides, if the government does not undertake this operation, the same inconvenience, which the objection in question supposes, would happen in another way, with a circumstance of aggravation. As long, at least, as the debt shall continue below its proper value, it will be an object of speculation to foreigners, who will not only receive the interest, upon what they purchase, and remit it abroad, as in the case of the loan, but will reap the additional profit of the difference in value. By the government's entering into competition with them, it will not only reap a part of this profit itself, but will contract the extent, and lessen the extra profit of foreign purchases. That competition will accelerate the rise of stock; and whatever greater rate this obliges foreigners to pay, for what they purchase, is so much clear saving to the nation. In the opinion of the secretary, and contrary to an idea which is not without patrons, it ought to be the policy of the government, to raise the value of stock to its true standard as fast as possible. When it arrives to that point, foreign specu-

lations (which till then, must be deemed pernicious, further than as they serve to bring it to that point) will become beneficial. Their money laid out in this country, upon our agriculture, commerce and manufactures, will produce much more to us, than the income they will receive from it.

The secretary contemplates the application of this money, through the medium of a national bank, for which, with the permission of the house, he will submit a plan in the course of the session.

The Secretary now proceeds, in the last place, to offer to the consideration of the house, his ideas of the steps, which ought at the present session, to be taken, towards the assumption of the state debts.

These are briefly, that concurrent resolutions of the two houses, with the approbation of the president, be entered into, declaring in substance,

That the United States do assume, and will at the first session in the year 1791, provide, on the same terms with the present debt of the United States, for all such part of the debts of the respective states, or any of them, as shall, prior to the first day of January in the said year 1791, be subscribed towards a loan to the United States, upon the principles of either of the plans, which shall have been adopted by them, for obtaining a re-loan of their present debt.

Provided that the provision to be made as aforesaid, shall be suspended, with respect to the debt, of any state, which may have exchanged the securities of the United States for others issued by itself, until the whole of the said securities shall, either be re-exchanged, or surrendered to the United States.

And provided also, that the interest upon the debt assumed, be computed to the end of the year 1791; and that the interest to be paid by the United States, commence on the first day of January, 1792.

That the amount of the debt of each state so assumed and provided for, be charged to such state in account with the United States, upon the same principles, upon which it shall be lent to the United States.

That subscriptions be opened for receiving loans of the said debts at the same times and places, and under the like regulations, as shall have been prescribed in relation to the debt of the United States.

The secretary has now completed the objects, which he proposed to himself, to comprise in the present report. He has, for the most part, omitted details, as well to avoid fatiguing the attention of the House, as because more time

would have been desirable even to digest the general principles of the plan. If these should be found right, the particular modifications will readily suggest themselves in the progress of the work.

The secretary, in the views which have directed his pursuit of the subject, has been influenced, in the first place, by the consideration, that his duty from the very terms of the resolution of the house, obliged him to propose what appeared to him an adequate provision for the support of the public credit, adapted at the same time to the real circumstances of the United States ; and in the next, by the reflection, that measures which will not bear the test of future unbiassed examination, can neither be productive of individual reputation, nor (which is of much greater consequence) public honor, or advantage.

Deeply impressed, as the secretary is, with a full and deliberate conviction, that the establishment of public credit, upon the basis of a satisfactory provision, for the public debt, is, under the present circumstances of this country, the true desideratum towards relief from individual and national embarrassments ; that without it, these embarrassments will be likely to press still more severely upon the community—He cannot but indulge an anxious wish, that an effectual plan for that purpose may, during the present session, be the result of the united wisdom of the legislature.

He is fully convinced, that it is of the greatest importance, that no further delay should attend the making of the requisite provision ; not only, because it will give a better impression of the good faith of the country, and will bring earlier relief to the creditors ; both which circumstances are of great moment to public credit : But, because the advantages to the community, from raising stock, as speedily as possible, to its natural value, will be incomparably greater than any that can result from its continuance below that standard. No profit, which could be derived from purchases in the market, on account of the government, to any practicable extent, would be an equivalent for the loss, which would be sustained by the purchases of foreigners, at a low value. Not to repeat, that governmental purchases, to be honorable, ought to be preceded by a provision. Delay, by disseminating doubt, would sink the price of stock ; and as the temptation to foreign speculations, from the lowness of the price, would be too great to be neglected, millions would probably be lost to the United States.

All which is humbly submitted.

ALEXANDER HAMILTON, *Sec'y of the Treasury.*

SCHEDULE [A]—Supplementary Statement of Accounts between the United States and Individual States.

S T A T E S.	Ratio.	Balances due to the States respectively.	Proportion of each State of the aggregate of those balances according to the ratio.	Balances against certain States.	Balances in favor of certain States.	Proportion of each State in the aggregate of the balances against certain States.	Ultimate balances in favor of certain States upon the principle of an extinguishment of the balances owing by the debtor States, and a proportional allowance to the other States, adjusted according to the ratio given, and to be paid by the United States.
New-Hampshire	3	57,500	60,000	2,500		3,000	500
Massachusetts	8	180,000	160,000		20,000	8,000	28,000
Rhode-Island	1	20,000	20,000			1,000	1,000
Connecticut	5	110,000	100,000		10,000	5,000	15,000
New-York	6	135,000	120,000		15,000	6,000	21,000
New-Jersey	4	72,500	80,000	7,500		4,000	
Pennsylvania	8	170,000	160,000		10,000	8,000	18,000
Delaware	1	30,000	20,000		10,000	1,000	11,000
Maryland	6	110,000	120,000			6,000	
Virginia	10	187,500	200,000	10,000		10,000	
North-Carolina	5	90,000	100,000	10,000		5,000	
South-Carolina	5	87,500	100,000	12,500		5,000	
Georgia	3	50,000	60,000	10,000		3,000	
	65	1,300,000	1,300,000	65,000	65,000	65,000	94,500

E X P L A N A T I O N.

The first column supposes a Ratio according to the present rule of representation.

The second column exhibits the balances which, on the principles of the statement suggested are supposed to be due to the several states.

The third column shews the apportionment of the aggregate of those balances according to the ratio given among the states.

The fourth column shews the balances against some states in consequence of this apportionment.

The fifth column shews the balances in favor of some states in consequence of the same apportionment.

This completes the first process proposed.

The second process proposed is illustrated by the sixth and seventh columns.

The sixth shews the share of each state, according to the ratio given in the amount of the balances against the debtor states.

The seventh shews the ultimate balances in favor of certain states, crediting them for their proportions of the balance due from the debtor states.

=====

Schedule [B.]—A general Statement of the Foreign Loans, shewing in abstract, the capital sums borrowed, and the arrearages of interest to the 31st December, 1789.

	Capital Sums borrowed.	<i>Livres.</i>	<i>Dols.</i>	<i>Cts.</i>
Of the Royal French Treasury,				
on interest at 5 per cent.	24,000,000			
In Holland, guaranteed by the				
French court, at 4 per cent.	10,000,000			

<i>Livres,</i>	34,00,0000	6,296,296
----------------	------------	-----------

Of the Royal Spanish Treasury,
at 5 per cent.

174,011

Lenders in Holland,

Florins

First loan,	5 per cent.	5,000,000
Second ditto,	4 per cent.	2,000,000
Third ditto,	5 per cent.	1,000,000
Fourth ditto,	5 per cent.	1,000,000

<i>Florins,</i>	9,000,000	3,600,3000
-----------------	-----------	------------

Capital,	-	10,070,307
----------	---	------------

Arrearages of interest to 31st Dec. 1789,
On the French loan,
Livres. Dollars. Cts.

1789,
Jan. 1, five years
at five per ct.
interest on the 6,000,000 277,777.77
Sept. 3, six years in-
terest at do. on the 18,000,000 999,999.96
Nov. 5, four years
interest on the 4 pr. ct. 10,000,000 296,296.

On the Spanish loan.

Arrearages on the Spanish
loan of 174,011 dollars, to 21st
March, 1782, at 5 per cent. 5,093.27

March 21, seven years in-
terest on do. 60,904.62

1,640,071.62

Total dollars, 11,710,378.62

Note. There were certain parts of the
capital of the Dutch guaranteed loan of
10,000,000 florins, and of the French
loan of 18,000,000 livres, which became
due at the following periods, and remain
unpaid, viz. *Dollars. Cts.*

1787. Sept. 3, first payment of
the 18,000,000—1,500,000 277,777.77

Nov. 5, first do. of the
10,000,000—1,000,000. 185,185.19

1788. Sept. 3, second do. of
the 18,000,000—1,000,000.

Nov. 5, second do. of the
10,000,000—1,000,000 462,962.96

1789. Sept. 3, third do. of
the 18,000,000—1,000,000

Nov. 5, third do. of the
10,000,000—1,000,000 462,962.96

Dollars, 1,388,888.88

Treasury Department, Register's Office, Dec. 31, 1789.

JOSEPH NOURSE, Register.

To the Arrearage of Interest to 31st December, 1789, above stated,

Amounting to 1,640,071. 62

Add one year's interest from 1st January to 31st December, 1789, on 186,427 dollars and 69 cents, being the amount principal sum due to foreign officers, employed in the service of the United States, which interest is annually payable at the house of Messrs. Grand Banker at Paris, at six per cent.

11,185.66

Arrearages of Interest to 31st December, 1789,

Dollars, 1,651,257.28

The above addition was adverted to, after the conclusion of the report; but as it makes no material difference, an alteration in consequence of it, is deemed unnecessary.

ALEXANDER HAMILTON,

Secretary of the Treasury.

Schedule [C.]—Abstract of the Liquidated and Loan-Office Debt of the United States, on the 3d March, 1789.

Dollars. 90ths.

4,598,462. 78

Registered debt,

Credits given to fundries on the treasury books, by virtue of special acts of Congress, which are not yet put on the funded debt,

187,578. 65

Certificates issued by the commissioner of army accounts, deducting those which have been cancelled and registered,

7,967,109. 73

Certificates issued by the commissioners of the five departments, deducting those which have been cancelled and registered,

903,574. 59

Certificates issued by the late state commissioners, deducting those which have been cancelled and registered,

3,291,156. 37

Carried forward,

16,947,882.02

Brought forward

16,947,882.02

Loan-office certificates issued in 1781, and expressed as specie value, deducting those which have been cancelled and registered,

112,704.15

Loan-office certificates, old emissions, reduced to specie value, agreeably to the scale made by Congress, by taking the medium of the loans made in each month, viz. 3,787,900 loaned to 1st September 1777, equal to

Dols. 90ths.

3,787,900

* 3,459,000 ditto between 1st Sept. 1777 and 1st March, 1788,

2,538,572

59,830,212 ditto between 1st March, 1788, and the closure of the Loan-offices,

5,146,330

11,463,802

Deduct specie amount cancelled and registered,

365,983.15

11,097,818.75

Foreign officers, amount to their credit, the interest whereof is payable at the house of Monf. Grand Banker at Paris, and included in the estimate of foreign interest,

186,427.69

From which deduct this sum received into the treasury on account of lands and other property, and cancelled,

28,344,833.21

960,915.44

Leaves the amount of the domestic debt,

Dollars, 27,383,917.67

* On the certificates issued between the 1st September, 1777, and 1st March, 1778, interest is payable on the nominal sum (being 3,459,000 dollars) although the specie value of the principal is only 2,538,572 dollars.

Register's-office, March 3, 1789.

JOSEPH NOURSE, Register.

Treasury Department, Register's-office, Jan. 1, 1790.

The above estimate was formed to the expiration of the late government—Some variation hath since taken place in the several parts, without making any material alteration in the aggregate amount of the domestic debt: This arises from a daily exchange at the treasury of Loan-office and Final Settlement Certificates, for Treasury Certificates given as evidences of the registered debt, whereby the increase of the latter is carried on in proportion to the cancelment of the former.

JOSEPH NOURSE, Register.

Schedule [D.]—An estimate of all the interest which will accrue on the Domestic Debt of the United States, from its formation to the 31st of December, 1790, of such partial payments as have been made on account thereof, and of the balance which will remain to be provided for, to pay up the interest fully to that period.

THE total amount of interest arising on the loan-office debt, from the opening of the several offices in 1776, to the 31st of December, 1790, *Dollars. Cts.*

9,534,478

The total amount of interest arising on the army debt, from the several periods of its drawing interest, to the 31st of December, 1790,

5,105,099

The total amount of interest arising on certificates issued by the thirteen state commissioners, estimated at

2,146,799

The total amount of interest arising on certificates issued by the commissioners for the commissaries, quarter-masters, marine, cloathing, and hospital departments, estimated at

737,338

The total amount of interest arising on the debt registered at the treasury estimated at

366,646

The total amount of interest on debts entered in the treasury books, but for which certificates have not been issued by the Register, so as to become a part of the registered debt, estimated at

83,836

Total 17,974,296

From this total amount of interest, the following deductions are to be made, viz.

	<i>Dollars. Cts.</i>	<i>Dollars. Cts.</i>
--	----------------------	----------------------

So much paid on the loan-office debt, in old emission, equal to -

372,368. 30

—In new emissions, as specie

39,433. 49

—In bills of exchange, as do.

1,603,992

So much paid by the several states in indents, paid into the treasury on account of their quotas on the existing requisitions of the late congress, -

2,244,231. 31

So much paid by the state of New-Jersey to their own citizens, on the domestic debt, not included in the schedule of taxes, -

424,442. 22

So much paid by the state of South-Carolina, being two years interest on 222,465 dollars, and 9-90ths, the amount of certificates issued to the line of that state, at six per cent. is -

26,695. 73

Total amount of interest paid

4,771,163. 5

Deduct three years interest estimated in the foregoing, on 960,915 dollars, and 42-100ths, being so much of the capital of the domestic debt received in payment for lands and other public property, - -

172,964. 75

Total amount of deductions, 4,944,127. 80

Leaves a balance of thirteen million and thirty thousand one hundred sixty-eight dollars, and 20 cents, which will accrue on the domestic debt, and for which provision is to be made to pay the interest fully up to the 31st December, 1790, - -

13,030,168. 20

It is to be observed, that as the certificates which have been issued for the principal of a debt of more than twenty-seven millions of dollars, are in themselves exceedingly numerous ; and that as those several certificates bear an interest from different periods, it has not been practicable to form a statement of arrearages, but by ascertaining in the most accurate manner, the different periods of time from which the several parts of the domestic debt bear interest, and therefrom calculating the interest to 31st December, 1790.

JOSEPH NOURSE, *Register*.

Treasury department, Register's-Office, 31st December, 1789.

Schedule [E.]—Abstract of the Public Debt of the States undermentioned, agreeably to Statements transmitted in pursuance of the resolution of the house of representatives of the 21st of September, 1789.

Massachusetts.—Principal, with interest to the 1st day of November, 1789, £.1,548,040 7 9 Lawful.
Due to fundries, for which no certificates have yet been issued, 20,000

Connecticut.—Principal, bearing interest from the 1st day of February, 1789, Total, £.1,568,040 7 9 at 6/ per dol. 5,226,801. 29
560,404.

To which ought to be added for balance of State bills, emitted in the year 1780, bearing interest at 5 per cent. to the 1st March, 1785, estimated at 24,948

New-York.—Principal and interest, computed to the 1st day of January, 1790, Total, £. 585,352 0 0 at 6/ per dol. 1,951,173. 32½
1,032,616 2 0

From which ought to be deducted for amount of principal and interest of continental securities loaned to the State in pursuance of their act of the 18th day of April, 1786, estimated at 565,586

Leaves for State debt proper, £. 467,030 2 0 at 8/ per dol. 1,167,571. 25
New-Jersey.—Principal undredeemed, 295,755 4 11 at 7/6 per dol. 788,680. 65

A. 1790.

Carried forward, 9,134,229. 52

Esti. Howard

A. 1790.

Dollars. Cents.

9,134,226. 52

Virginia.—Principal of domestic debt,
Brought forward, 1,063,396 17 1
Ditto of foreign debt, with interest to the 1st of Jan. 1790, 40,826 1 1

Total, £.1,104,222 18 2 at 6/ per dol. 3,680,743. 2
South-Carolina.—Principal of domestic debt, 1,069,652 2 4
Indents of interest on ditto in circulation, 71,325 7 2
Foreign debt, principal and interest, due to the 1st of Jan. 1789, 115,810 0 1

Total, £.1,256,787 9 7 at 4/8 per dol. 5,386,232. 5

Total dollars, 18,201,205. 60

D E B A T E S

It will be observed, that the period to which interest is calculated on the debts above-mentioned, is only specified with accuracy on the statements which have been transmitted from Massachusetts, Connecticut, and New-York. From the best information which the Secretary can obtain, he presumes—That in the statement made of the debt of New-Jersey, interest has been calculated to the 31st day of December, 1788. That on the debt of Virginia, interest has been calculated to the 31st day of December, 1788. On that of South-Carolina, to the 1st day of April, 1790.

From the states of New-Hampshire, Pennsylvania, Delaware, Maryland, North-Carolina and Georgia, no accounts of their respective state debts have been forwarded.

The secretary is however of opinion, from the result of enquiries made by him, that the state debt of New-Hampshire may be estimated at about 300,000 dollars

That the state debt *proper* of Pennsylvania (that is, exclusive of their assumption of the continental debt) at about 2,200,000 dollars.

And that of Maryland, at 800,000 dollars.

From the above statement and estimates, the amount of principal and interest of the state debts (exclusive of Delaware, North-Carolina, Georgia, and Rhode-Island) appears to be about twenty-one millions and a half; but as the debts of the four last states are not included in the above sum; and it is possible that a greater arrearage of interest may be due on the state debts than is at present ascertained, the aggregate of the principal and interest may be computed at twenty-five millions of dollars.

ALEXANDER HAMILTON, *Sec'y of the Treasury.*

Commonwealth of Massachusetts.

1789 Statement of the Debt of the commonwealth of Massachusetts. as it respects the notes issued by the several
1789 Treasurers, to the first of November, 1789.

1789 November 1, 1789, exclusive of half-pay notes, - £.1,403,459 16 11

1789 Notes issued to widows and orphan children of the deceased officers of the late continental army, for the seven years half-pay, agreeable to resolves of congress - 8,246 11 10

Interest on the foregoing notes since October, 1781, £.579,660 6 4

Of which has been paid 443,326 7 4

Interest remaining due, Nov. 1, 1789, 136,333 19 0

£.1,548,040 7 9

Remains due on the books of the committee for settling with the late continental army, to the widows and orphan children of deceased officers of said army, and to officers and soldiers for their services, about - - - - 20,000

N. B. By an act of the legislature, one third part of the revenue of excise is appropriated to pay the exigencies of

government, and the other two-third parts for the payment of interest of the notes, which pays about one quarter part of the interest; the other three quarters are unprovided for.

ALEXANDER HODGSON, Treasurer.

Treasury-office, Boston, October 31, 1789.

Compared with the original, in the office of the secretary of the treasury.

WILLIAM DUER.

State of Connecticut.

A statement of the public debt of the state of Connecticut, as it stood November 1, 1789.

Notes issued to the Connecticut line,			
payable June 1, 1782,	-	£.	2,334 13 11 $\frac{1}{2}$
Do. do. 1783,	-	-	2,339 13 4
Do. do. 1784,	-	-	3,252 12 1
Do. do. 1785,	-	-	42,309 6 1 $\frac{3}{4}$
Do. do. 1786,	-	-	28,189 6 3 $\frac{3}{4}$
Do. do. 1787,	-	-	28,448 5 6 $\frac{3}{4}$
Do. do. 1788,	-	-	21,593 0 4 $\frac{1}{4}$
Do. do. 1789,	-	-	20,097 5 7 $\frac{1}{4}$
Do. dated Feb. 1, 1781, issued per act of assembly, Nov. 1780,	-		153,229 8 6 $\frac{1}{4}$
Do. of various dates, issued per act of assembly, May, 1781,	-		33,947 11 8 $\frac{1}{2}$
Do. dated June 1, 1781, issued per act of assembly for remounting dragoons	-		1,032 8 0
Do. of various dates, issued per act of assembly, May, 1783,	-	-	41,841 6 1 $\frac{3}{4}$
Do. issued per act of May, 1789, for old notes reloaned,	-	-	180,890 1 0
			£. 560,404 18 9 $\frac{1}{4}$

Notes issued per particular acts of assembly, payable out of civil list funds,	2,856 11 4
--	------------

Certificates for interest, &c. issued on the state debt, up to February 1, 1789, and remaining unpaid, Nov. 1, 1789,	19,140 3 9 $\frac{1}{4}$
--	--------------------------

Balance of orders unpaid, drawn by Oliver Wolcott, esq. payable out of the 1/10 tax, granted in January, 1783,	692 8 10
--	----------

Balance of state bills, which were emitted in March, June, and July, 1780, with the interest at 5 per cent. to the 1st of March, 1785, estimated at

24,948 9 1

There are a number of pay-table orders drawn on former taxes, the amount, supposed not great, cannot be ascertained.

There is also out-standing, a sum of old emissions of paper, issued before the war, the amount unknown.

Account of Loan-Office and Final Settlement Certificates in the treasury of the state of Connecticut.

Loan-office certificates,	-	£. 442 19 7
Final settlement certificates,	-	2,151 17 1
		£. 2,594 16 8

Amount of interest certificates that were issued upon the evidence of the United States debt, received by the treasurer of the state of Connecticut, for taxes and impost duties, and delivered to William Imlay, esq. continental loan-officer, from January 9, 1786, to November 1, 1789,

£. 33,996 15 3

Compared with the original in the office of the secretary of the treasury.

WILLIAM DUER.

A statement of the funds provided for the payment of the principal and interest of the public debt of the state of Connecticut.

Balances of taxes laid for the payment of interest on the state debt, and the first three classes of army notes, as appears from the treasury books, November 1, 1789, being the balance of fifteen taxes, including abatements, collecting fees, &c.

£. 40,489 14 10

Balance of excise and impost bonds payable, including collecting, fees, &c.

9,070 15 2

A tax of four-pence on the pound, laid on the list, 1788, amounting to £. 1,462,860 10 11—for the payment of interest on the state debt, and the balance of the three first classes of the state notes; the nett avails estimated at

20,266 14 4

A tax of eight-pence on the pound, on the same list, laid for the payment of the

balance of state bills, orders on 2/6 and 1/ taxes, and part of the principal of the state debt; the nett avails estimated at 40,533 8 8

Excise for the payment of interest on the state debt, &c. estimated at 5,000, 0 0

The first article in the above statement of funds will probably, upon settlement of those old taxes, fall greatly short of the sum set down; to say how much, is merely conjectural. There will also be a loss upon the excise and impost bonds. The amount of the excise for the current year is very uncertain.

RALPH POMEROY, Comptroller.

Comptroller's-office, 1st December, 1789.

State of New-York.

A statement of the Debt of the State of New-York.

The following species of certificates, &c. have been issued by the state, and are still unredeemed, viz.

Principal sum spec. val. Int. to Jan. 1, 1790.

Certificates for money loaned, pursuant to resolutions of the 4th of April, 1778,	£.111 13 3	£. 78 14 5
Do. for do. pursuant to a law of the 30th of June, 1780	741 6 0	422 10 9
Do. for horses purchased in the year 1780,	904 5 0	515 8 5
Do. for depreciation of pay to army, dated 31 July, 1780,	54,520 1 7	25,669 17 4
Do. for pay of the year 1781, to do. dated the 1st January, 1782,	17,972 6 9	8,626 14 0
Do. for pensions to widows of military officers,	8,104 18 2	3,647 4 2
Do. for pay of levies, &c.	42,871 4 3	18,220 5 3
Do. for other certificates received on loan, pursuant to a law passed 18 April, 1786,	523.848 5 1	144,058 5 4
Do. for four-fifths of the interest due on those received on loan,	105,669 9 8	
Do. for claims on forfeited estates,	25,897 8 10	3,848 12 3
Carried forward,	£.780,640 18 7	£.205,123 11 11

Brought forward,	£.780,640 18 7	£.205,123 11 11
Bills of credit, called new emission, emitted pursuant to a law passed the 30th of June, 1780, bearing interest,	3,512 16 0	1,174 3 1
Do. emitted pursuant to resolutions of congress, and convention of this state, re- duced to specie value,	1,047 0 0	
	<u>£.785,300 14 7</u>	<u>£.206,297 15 0</u>

There are large demands against forfeited
estates, unliquidated, and others liquidated
for which no certificates have yet issued,
to the amount of

£.41,017 12 5

There are no funds specially provi-
ded for redeeming the aforesaid certi-
ficates, except the following, viz.

The arrears of old taxes may probably
produce about

10,000 0 0

Quit rents, about

20,000 0 0

Fifteen townships of new lands, or
375,000 acres, ordered to be sold (by a
law passed the 25th February, 1789) and
are now surveying.

GERARD BANCKER,

Treasurer of the State of New-York.

New-York, November 30, 1789.

An Account of Continental Securities now in the Treasury
of the State of New-York, viz.

Principal. Int. 1st Jan. 1790.

Certificates issued by

William Barber, £.352,471 13 1 £.105,741 9 11

Ditto issued by loan-

officers in this

State,

277,448 16 4

83,234 12 11

Ditto issued by John

Pierce, Burrall,

Denning, Bindon,

and Fox,

299,614 4 5

89,884 5 4

Interest facilities,

2,502 14 8

£. 932,037 8 6 £.278,860 8 2

Of the above-mentioned Loan-office and Barber's certificates, the sum of £. 470,649 17 6 was received in on loan by the State in 1786, and one fifth of the interest that was due thereon, to the 31st December, 1784, then paid, and certificates for the remaining four fifths issued, payable in one year, of which certificates three-fourths remain unredeemed, as represented in the former part of this statement.

GERARD BANCKER,

Treasurer of the State of New-York.

New-York, Nov. 30, 1789.

Compared with the original in the office of the Secretary of the Treasury. WILLIAM DUER.

An Account of Certificates due from the United States to the inhabitants of the State of New-Jersey, which draw interest at the Treasury.

Principal. Annual Interest.

1st. Continental loan-office certificates,	£. 420,511 0 10	25,230 13 3
2d. Certificates issued by John Pierce, commissioner for arrears of pay, &c.	147,118 15 2½	8,827 2 6
3d. Certificates by Benjamin Thompson, Commissioner,	344,237 11 2	20,654 5 0
	£. 911,867 7 2½	54,712 0 9

Commutation.

4th. Certificates issued by John Pierce, commissioner, and given to the officers of the late Jersey line, for their commutation,

66,899 2 6

State Debt.

1st. Certificates given to the officers and soldiers of the late Jersey line, for the depreciation of their pay, of which there

Carried forward, £. 978,766 9 8½ £. 54,712 0 9

A. 1790.

OF CONGRESS.

87

Brought forward 978,766 9 8 $\frac{1}{4}$ 54,712 0 9
 was outstanding October 1, 1786, - 99,526 11 4

2d. Ditto given by the commissioners in the several counties for militia pay, of which there was outstanding October 1, 1786, - 55,365 17 7 $\frac{1}{2}$

3d. Certificates given by Silas Condict, commissioner, 121,521 8 7

4th. Ditto given by the treasurer and auditor for demands against confiscated estates, 32,020 2 9

5th. Ditto issued by the auditor for militia pay, 821 4 7 $\frac{1}{2}$

£. 309,255 4 11

Paid into the treasury since October, 1786, 13,500 0 0

£. 295,755 4 11

Annual interest of state debt, £. 17,745 6 3 $\frac{1}{2}$

Compared with the original in the office of the secretary of the treasury. WILLIAM DUER.

Abstract of the Public Debts due from the state of Virginia.

On interest at 6 per cent.	{	Army debt for pay and depreciation of the officers and foldiers,	£. 936,830	7	6
		Loan office debt,	119,382	7	4
		Certificates issued for the paper money funded	7,183	2	3

Balance due to foreign creditors, including the interest (at 6 per cent.) to the 1st of Jan. 1790, on £. 9,415 0 2 part of the said balance, for which warrants have not been drawn by the creditors,

40,826 1 1

JOHN PENDLETON, Auditor of Public Accounts.
 Virginia, Auditor's-office, Nov. 20, 1789.

Compared with the original in the office of the secretary
of the treasury.

WILLIAM DUER.

The Auditor-General reports the following Statement of the
Debt due by the state of South-Carolia, viz.

Principal Indents.

Balance issued from
the treasury of the state
aforesaid, and yet remain-
ing to be issued on the 1st
of October, 1789, £. 1,069,652 2 4 $\frac{1}{2}$

To be cancelled by

Balance of bonds for
confiscated property, £. 79,985 10 0 $\frac{1}{4}$

Purchases of ditto un-
settled for, 12,910 0 0

Balance of amerce-
ments, 7,713 4 6

Ditto for bonds for
public property, 35,065 10 6

Ditto of lands granted
to 1st November, 1789, 42,563 1 7 $\frac{3}{4}$ 178,242 6 8

Balance still to be cancelled, Sterling, £. 891,409 15 8 $\frac{1}{2}$

Special Indents.

Amount issued, and to be issued, £. 440,368 0 0

Deduct, for so much received
into the treasury, 369,042 12 9 $\frac{3}{4}$

Balance in circulation, & yet to be issued, £. 71,325 7 2 $\frac{1}{4}$

Agreeably to a report of the committee of ways and means,
the debts due to the state for the arrears of taxes, &c. are suf-
ficient to cancel the above balance.

Foreign Debt.

Amount due to sundry persons, £. 93,244 17 3

Balance of int. due 1 Jan. 1789, £. 29,558 4 11

Deduct, for so much paid J. S.

Cripps, agent, £. 4,949 5 4 $\frac{1}{4}$

Balance paid to
such creditors as
were here, or their
attorneys, 2,043 16 10 6,993 2 2 $\frac{1}{4}$ 22,565 2 9

Principal & balance due 1st Jan. 1789, £. 115,810 0 1

Funds appropriated by the Legislature,

Out of the taxes payable the 1st April, 1790,	£.10,000
Interest on the paper medium, to 1st May, 1791,	12,750
Balance of bonds given for confiscated property, payable in specie,	1,610 17 3 $\frac{1}{4}$
The sums due, and that shall become due, for amercements, in specie,	8,371 16 6
Balance of bonds given for duties, payable by installments,	6,240 14 3
Bonds for duties due prior to 1st Jan. 1788, not installed,	233 3 4 $\frac{1}{2}$
A tax of $\frac{1}{4}$ th of a dollar per head, per annum, on all negroes, mustizoes, and mulattoes, for ten years, from February 1791, the number computed to be about 100,000, which will amount to	58,333 6 8

Sterling, £. 97,539 18 0 $\frac{3}{4}$

J. M'CALL, Auditor.

Auditor's-office, Charleston, 30th Nov. 1789.

Compared with the original in the office of the secretary of the treasury.
WILLIAM DUER.

SCHEDULE (F.)—TABLE shewing the ANNUITY which a person of a given age, would be entitled to during life, from the time he should arrive at a given age, upon the present payment of a hundred dollars, computing interest at four per cent.

Age when payment.	Age when annuity.	Age when annuity.	Age when annuity.	Age when annuity.
Age at time of payment.	Age when annuity.	Age when annuity.	Age when annuity.	Age when annuity.
1 21	23.453	31 42.625	41 84.522	50 174.11
2 22	20.376	32 37.365	42 74.936	50 143.14
3 23	19.415	33 35.775	43 72.440	50 128.46
4 24	18.826	34 34.970	44 71.697	50 117.64
5 25	18.457	35 34.660	45 71.840	50 108.95
6 26	18.280	36 34.619	46 72.584	50 101.60
7 27	18.188	37 34.767	47 73.752	50 95.210
8 28	18.258	38 35.235	48 75.720	50 89.971
9 29	18.383	39 35.830	49 78.025	50 85.238
10 30	18.617	40 37.006	50 81.960	
11 31	10.346	31 18.803	41 37.286	50 75.500
12 32	10.414	32 19.072	42 38.162	50 73.058
13 33	10.519	33 19.382	43 39.249	50 70.246
14 34	10.608	34 19.704	44 40.493	50 66.279
15 35	10.727	35 20.088	45 41.638	50 63.151
16 36	10.818	36 20.489	46 42.957	50 60.129
17 37	10.939	37 20.911	47 44.358	50 57.258
18 38	11.065	38 21.354	48 45.888	50 54.520
19 39	11.195	39 21.821	49 47.519	50 51.907
20 40	11.352	40 22.313	50 49.415	
21 41	11.515	41 22.830	50 47.038	
22 42	11.687	42 23.386	50 44.770	
23 43	11.846	43 23.987	50 42.534	
24 44	12.028	44 24.719	50 40.460	
25 45	12.253	45 25.396	50 38.510	
26 46	12.462	46 26.128	50 36.572	
27 47	12.682	47 26.902	50 34.726	
28 48	12.913	48 27.749	50 32.967	
29 49	13.155	49 28.647	50 31.329	
30 50	13.385		50 29.643	
31 51	13.629		50 28.073	
32 52	13.884		50 26.580	
33 53	14.190		50 25.161	
34 54	14.547		50 23.812	
35 55	14.827		50 22.483	
36 56	15.157		50 21.217	
37 57	15.512		50 20.023	
38 58	15.896		50 18.886	
39 59	16.301		50 17.806	
40 60	16.783			

SCHEDULE (G)—Table shewing what Annuity would be enjoyed by the survivor of any two persons of certain ages, for the remainder of life, after the determination of the life in expectation, upon the present payment of one hundred dollars, computing interest at four per cent. per annum, and the duration of life according to Dr. Halley's tables.

Age of the youngest.	Age of the eldest.	Annuity of survivor.	Age of the youngest.	Age of the eldest.	Annuity of survivor.	Age of the youngest.	Age of the eldest.	Annuity of survivor.	Age of the youngest.	Age of the eldest.	Annuity of survivor.
10	28.248		20	28.169		30	28.555		45	30.620	
15	26.392		25	26.041		35	26.001		50	27.005	
20	24.545		30	23.923		40	23.496		55	23.375	
25	22.716		35	21.753		45	21.061	45	60	20.040	
30	20.920		40	19.825	30	50	18.730		65	16.957	
35	19.168	20	45	17.876		55	16.529		70	14.240	
40	17.464		50	16.018		60	14.484				
45	15.847		55	14.261		65	12.600		50	32.164	
50	14.263		60	12.620		70	10.894		55	27.731	
55	12.782		65	11.100				50	60	23.513	
60	11.237		70	9.707		35	28.993		65	19.662	
65	10.099					40	26.164		70	16.257	
70	8.905		25	27.816		45	23.381				
			30	25.556		50	20.702		55	34.286	
15	28.169		35	23.331	35	55	18.172		60	28.843	
20	26.198		40	21.159		60	15.820	55	65	23.742	
25	24.219		45	19.047		65	13.666		70	19.175	
30	22.276	25	50	17.030		70	11.724				
35	20.376		55	15.117					60	37.509	
40	18.528		60	13.331		40	29.673	60	65	30.423	
45	16.750		65	11.689		45	26.469		70	24.044	
50	15.053		70	10.173		50	23.337		65	42.481	
55	12.968				40	55	20.354	65	70	32.679	
60	11.948					60	17.604				
65	10.553					65	15.060		70	50.994	
70	9.270					70	12.799				

To find the annuity upon the survivorship of the youngest of any two lives, expressed in this table, look for the respective ages under their respective heads, and opposite the number, which corresponds with the age of the eldest, will be seen the annuity required.

SCHEDULE (H).—Table for a Tontine of six classes, the number of lives in each class being infinite, calculated on a payment of two hundred dollars by each subscriber, and at a rate of interest of four per cent. The computation on the best life in each class, and on the supposition that the subscribers to each class will not be less than the respective numbers specified in the first column.

Number of lives in each class	Ages.	Annuity which all are in life	Dividends at successive periods during the probable continuance of life.						
			At the expiration of 10 years	At the expiration of 20 years	At the expiration of 30 years	At the expiration of 40 years	At the expiration of 50 years	At the expiration of 60 years	At the expiration of 70 years
75	1 to 20	8,426	9,722	11,190	14,042	18,051	25,278	42,130	126,390
64	21 to 30	8,676	10,272	12,606	16,314	23,110	39,618	138,606	
54	31 to 40	9,046	11,102	14,356	20,354	34,890	122,282		
44	41 to 50	9,650	12,488	17,008	30,328	106,150			
34	51 to 60	10,714	15,178	26,020					
24	61 to 70	12,802	20,518	71,802					

This Table, which is calculated on so small a number of persons, will serve to shew the greatness of the advantage to fortunate survivors, in case of a numerous subscription.

Schedule (I.)—General Estimate for the services of the current year.

	<i>Dols.</i>	<i>Cts.</i>
Civil list, as per No. 1, - -	254,892.	73
War department, No. 2, - -	155,537.	72
Military pensions, No. 3, - -	96,979.	72
Dollars,	507,410.	17

With an eye to the necessary provisions for the foreign department, and to other arrangements which may be found requisite, it appeared advisable to state in the report, to which this is annexed, a sum of six hundred thousand dollars for the current service.

Treasury Department, January 5, 1790.

[No. I.]

Estimate of the expenditure for the Civil List of the United States, on the present establishment for the year 1790,

For the compensation to the presi- *Dollars.*

dent of the United States,	25,000
That of the vice-president,	5,000
Compensation to the chief justice,	4,000
Ditto to each of the five associate justices, 3,500 dollars each,	17,500
To the judges of the following districts, viz.	

District of Maine,	1,000
New-Hampshire,	1,000
Massachusetts,	1,200
Connecticut,	1,000
New-York,	1,500
New-Jersey,	1,000
Pennsylvania,	1,600
Delaware,	800
Maryland,	1,500
Virginia,	1,800
Kentucky,	1,000
South-Carolina,	1,800
Georgia,	1,500
Attorney-General,	1,500

Carried forward, 69,700

Dols.Cts. Dols.Cts.

Brought forward, 69,700

Compensation to the members of Congress, estimating the attendance of the whole number for six months, viz.

Speaker of the House of Representatives, at twelve dollars per day, 2,190

Eighty members, at 6 dols. per day, 87,600

Travelling expences computed, 15,000

To the Secretary of the Senate, one year's salary, 1,500

Additional allowance estimated for six months, at two dollars per day, 365

Principal clerk to the secretary of the senate, for the same time, at three dollars per day, 547. 50

Engrossing clerk to the secretary of the senate, estimated for same time, at two dollars per day, 365

Chaplain to the senate, estimated for six months, at 500 dollars per annum, 250

Compensation to the door keeper of the senate, for the same time, at three dollars per day, 547.50

Messenger to the Senate, for the same time, at two dollars per day, 365

Clerk of the House of Representatives for one year's salary, 1,500

Additional allowance calculated for six months, at two dollars per day, 365

Principal clerk in the office of ditto, estimated for same time, at 3 dols. per day, 547. 50

Engrossing clerk for same time, estimated at two dollars per day, 365

Chaplain to the house of representatives, estimated for same time, at five hundred dollars per annum, 250

Serjeant at arms, estimated for same time, at four dollars per day, 730

Door-keeper, for same time, at three dollars per day, 547. 50

Assistant door-keeper for do. at two dollars per day, 365

Carried forward,

183,100

Brought forward,

183,100

Treasury Department.

Secretary of the Treasury,	3,500
Assistant of the Secretary of the Treasury,	1,500
Five Clerks, at 500 dollars per annum each,	2,500
Messenger and office keeper,	150
Comptroller of the Treasury,	2,000
Principal Clerk to do.	800
Four Clerks, at 500 dollars each,	2,000
Treasurer,	2,000
Principal Clerk to do.	600
Auditor of the Treasury,	1,500
Principal Clerk to do.	600

Twelve Clerks to do. who, besides the current business under the New Government, has the settlement of the accounts which arose under the Confederation, in the quarter-master, commissary, clothing, hospital, and marine departments, and ordinance stores ; and also the accounts of the secret and commercial committees of Congress, at 500 dollars each,

6,000

Register of the Treasury,

1,250

One Clerk on the books of the public creditors, called funded debt at the Treasury, transfers, &c.

500

One Clerk in the office of the Register, employed in keeping the accounts of interest arising on the domestic debt,

500

One do. on the principal books of the treasury, in journalising and posting into the ledger,

500

One clerk in copying fair statements of the public accounts, and other transcripts as required from the treasury books,

500

One do. in keeping the accounts of the registers, signed, sealed, &c. for ships transmitted to the collectors of the customs at the several ports; filing

Carried forward,

26,400. 183,100

Brought forward,	26,400	183,100
duplicates of registers issued by the collectors ; keeping the accounts of the transfers of vessels, and other business of record, arising from act for registering of vessels, regulating the coasting trade, and other purposes therein mentioned,		
	500	

Two do. on the old accounts of the treasury, and books and accounts of the thirteen late state commissioners, at five hundred dollars each,	1,000	
---	-------	--

Messenger and office keeper to the comptroller, auditor and register's office,	150	28,000

Department of State.

Secretary of that department,	3,500	
Chief Clerk,	800	
Three clerks, at 500 dollars each,	1,500	
Messenger and office keeper,	150	5,950

Department of War.

Secretary of the department,	3,000	
Chief Clerk,	600	
Two Clerks at 500 dollars each,	1,000	
Messenger and office keeper,	150	4,750

Government of the Western Territory.

The Governor for his salary as such, and for discharging the duties of Superintendant of Indian affairs in the northern department,	2,000	
---	-------	--

The Secretary of the Western Territory,	750	
The three Judges, at 800 dollars each,	2,400	5,150

Officers employed to settle the accounts between the United States and individual States.

Three Commissioners of the General Board, at 2,250 dollars per annum,	6,750	
Chief Clerk,	600	

Carried forward,	7,300	198,95
------------------	-------	--------

Brought forward,	7,300	198,950
Four Clerks, at four hundred dollars each,	1,600	
Messenger and office keeper,	150	
Paymaster-General, and Commissioner of Army Accounts,	1,250	
Eight Clerks, at five hundred dollars each,	4,000	
One do. at four hundred dollars,	400	
One do. at 450,	450	15,200

Pensions granted by the late Government.

Isaac Van Vert, John Paulding, David Williams, a pension of two hundred dollars per annum to each, pursuant to an act of Congress of 3d November, 1780,	600	
Dominique L'Eglise, per act of 8th of August, 1782,	120	
Joseph Traverse, per do.	120	
Youngest children of the late Major-General Warren, per act of 1st July, 1780,	450	
Eldest Son of do. per act of 8th April, 1777, estimated at,	600	
Youngest Son of General Mercer, per act of 8th April, 1777, estimated at,	700	
James M'Kenzie, Joseph Bruffells, John Jordan, per act of 10th September, 1783, entitled to a pension of forty dollars each per annum,	120	
Elizabeth Bergen, per act of 21st August, 1781,	53.33	
Joseph De Beauleau, per act 5th August, 1782,	100	
Richard Gridley, per acts of 17th November, 1775, and 26th February, 1781,	444.10	
Lieutenant-Colonel Touzard, per act of 27th October 1778,	360	3,667.73

Carried forward, 217,817.73
VOL. III. N

Dols. Cts. Dols. Cts.

Brought forward,

217,817.73

*For incidental and contingent expences
relative to the Civil List Establishment.*

Under this head are comprehended
fire wood, stationary, together with
printing work, and all other contingent
expences for the two houses of congress;
rent and office expences of the three
several departments, viz. Treasury, State,
War, and of the general board of Com-
missioners, and Paymaster-general.

Congress, estimated at, - 5,000

Treasury department, viz.

Rent, - 500

Contingencies of the Secretary's office, 500

-----Comptroller's 400

-----Auditor's 200

-----Register's 200

-----Treasurer's 200

-----War department, 600

-----Department of State 500

-----Board of Commissioners 500

-----Paymaster and Commis-

oner of army accounts 425

9,025

Dollars, 254,892.73

This estimate corresponds with the existing provisions ; but it will probably receive additions from others in the course of the session : In particular it will be observed, that there is no article respecting the salaries of foreign ministers, their allowances not having been regulated by law. Neither does the estimate include those objects which remain to be provided for in consequence of some deficiency in the estimate for the services of last year, and also from certain demands on the treasury, founded on acts of the late government, which require an appropriation by congress, previous to their being discharged. These will form an estimate by themselves under the head of contingencies.

JOSEPH NOURSE, *Register.*

Register's-office, 5th Jan. 1790.

[No. II.]

ESTIMATE of MONIES requisite for the DEPARTMENT of WAR, for the YEAR 1790.

Infantry.

1 Brigadier-General, with the pay of Lieutenant-Colonel-Commandant, for

12 months, at	50 dollars,	600
2 Majors,	45 -	1,080
7 Captains,	35 -	2,940
7 Lieutenants,	30 -	2,520
8 Ensigns,	20 -	1,920
1 Paymaster,	10 -	120
1 Adjutant,	10 -	120
1 Quarter master,	10 -	120
1 Surgeon,	45 -	540
4 Surgeon's mates,	30 -	1,440
28 Serjeants,	6 -	2,016
28 Corporals,	5 -	1,680
14 Musicians,	5 -	840
490 Privates,	4 -	23,520
		39,456

Artillery.

1 Major, 12 months, at	45 dollars,	540
4 Captains,	35	1,680
8 Lieutenants,	30	2,880
1 Surgeon's mate,	30	360
16 Serjeants,	6	1,152
16 Corporals,	5	960
8 Musicians,	5	480
240 Maitroffer,	4	11,520
		19,572

Subsistence.

1 Brigadier-General, 12 mo.	48 dols.	576
3 Majors,	20	720
11 Captains,	12	1,584
23 Subalterns,	8	2,208
1 Surgeon,	16	192
5 Surgeon's mates,	8	480
		5,760

Rations.

For 840 non-commissioned officers and privates, one ration per day each, for 365 days, is 306,600 rations, at 12 cents per ditto.

Carried forward

36,792

101,580

		<i>Dols. Cts. Dols. Cts.</i>
	Brought forward,	101,580
Clothing,	840 } 940 suits at 26 dollars	
Contingencies,	100 } each	24,440

Quarter-master's Department.

Transportation. Including the transportation of the recruits to the frontiers, the removal of troops from one station to another, the transportation of clothing, ordnance, and military stores for the troops on the frontiers; the necessary removal of ordnance military stores; the hire of teams and pack-horses; the purchase of tents, boats, axes, camp kettles, boards, fire-wood, company books, stationery for the troops, and all other expences in the quarter-master's department, 15,000

Hospital Department.

For medicines, instruments, furniture and stores for an hospital for the frontiers, also for attendance when necessary at West Point, - - 1,000

Ordnance Department.

For salaries for the store keepers at the several deposits, viz.

West-Point,	} 3, at 40 dollars pr. mo.	1,440
Virginia,		
Springfield,		
Charleston,	1 store-keeper, at 100	
dollars per annum,	-	100
2 Assistants at 15 dollars per mo.		360
1 Store keeper at Philadelphia,		500
1 do. Rhode-Island,	-	96
1 do. Lancaster,	-	96
1 do. Fort Mifkemmer,		120
His subsistence, 1 dollar per week,		52

Rents of Buildings for Deposits.

Philadelphia,		752.66
Virginia,	- -	350
West-Point,		400
Labourers at the several deposits,		400
8 Artificers at the posts on the frontiers, including armourers, at 5 dollars per mo.		480
Coopers, armourers, and carpenters employed occasionally at the several arsenals,		500

Carried forward, 5,646.66 142,020

Dols. Cets. Dols. Cets.

Brought forward, 5,646.66 142,020

The expence of materials and constructing twenty new carriages for cannon and howitzers,

2,000

— 7,646.66

Buildings for arsenals and magazines are highly requisite in the southern and middle departments, for which particular estimates will be formed.

Contingencies of the War department, viz.

For maps, hiring expresses, allowance to officers for extra expences, printing, loss of stores of all kinds, advertising and apprehending deserters,

3,000

Contingencies of the War-office, viz.

Office rent, wood, stationary, desks, book cases, sweeping, &c.

600

Subsistence due the officers of colonel Marinus Willet's regiment in 1782, 786. 6

Pay due Lieutenant Joseph Wilcox, paymaster to the regiment lately commanded by col. David Humphreys,

315

Pay, subsistence, and forage due the officers appointed by the State of Rhode-Island, under the act of congress of the 20th October, 1786,

1,770

2,871. 6

156,137.72

Total amount as above, 156,137.72

Deduct contingencies of the War-office, office rent, wood, stationary, desks, &c. as above, the same being included with the salaries in the civil list estimate,

600

Dollars, 155,537.72

Summary of the foregoing.

Pay of the troops,	-	-	59,028
Subsistence of ditto,	-	-	42,552
Clothing of ditto,	-	-	24,440
Quarter-master's department,			15,000
Hospital department,	-		1,000

Carried forward, 162,020

	<i>Dols. Cts.</i>	<i>Dols. Cts.</i>
Brought forward,		162,020
Contingencies of the war department,		3,000
Contingencies of the war-office,		600
Arrears of pay and subsistence unprovided for,	2,871. 6	
Ordnance department,		7,646.66
Dollars,		156,137.72

(Signed)

HENRY KNOX,

*Secretary for the department of War.**War-office, December 29, 1789.*

[No. III.]

ESTIMATE of the annual PENSIONS of the INVALIDS
of the United States, viz.

Taken from returns in the War-office, dated as follows :

November 28, 1789,	New-Hampshire,	3,024
December 14,	Massachusetts,	11,166
December 1,	Connecticut,	7,296
December 31,	New-York,	15,588
February 2,	New-Jersey,	4,357. 6
December 10,	Pennsylvania,	16,506
For 1787,	Virginia,	9,276.66
		67,213.72

Conjectural—No returns having been
received.

Suppose Rhode-Island and Delaware nearly equal to New-Hampshire,	3,170
Maryland nearly equal to Connecticut,	7,000
North-Carolina, South-Carolina, and Georgia, nearly equal to New-Hamp- shire, Connecticut and Virginia,	19,596
	29,766

Dollars,

96,979.72

(Signed)

HENRY KNOX,

*Secretary for the department of War.**War-office, December 31, 1789.*

Schedule [K.]—Estimate of the probable product of the funds proposed for funding the debt and providing for the current service of the United States, including the present duties on imports and tonnage.

Probable product of the duties on im-ports and tonnage, according to the acts of the last session, *Dols. Cets. Dols. Cets.*
 - 1,800,000

Including the State of North-Carolina, this estimate may be said to correspond with the statement made by the committee of ways and means, during the last session; which statement the secretary is inclined to think is as near the truth as can be now obtained.

In the preceding estimate are comprehended wines, distilled spirits, teas and coffee, amounting to about 600,000

Which being deducted, leaves 1,200,000

From which deducting 5 per cent. for expence of collection, 60,000

Leaves nett product, 1,140,000
 Probable product of duties proposed.

Imported.

1,000,000 gallons wine, at 20 cents. 200,000

4,000,000 gallons distilled spirits at 20 cents. 800,000

700,000 pounds bohea tea, at 12 cents. 84,000

800,000 pounds fouching and other black teas, at 20 cents. 160,000

100,000 pounds green tea, average 25 cents. 25,000

1,600,000 pounds coffee, at 5 cents. 80,000

Made in the United States.

3,500,000 gallons distilled spirits from foreign materials, at 11 cents, 385,000

3,000,000 ditto, distilled from materials of the United States, at 9 cents. 270,000

2,004,000

Deduct for drawbacks, and expence of collection, 15 per cent. 300,600 1,703,400

Dollars, 2,843,400

On motion, it was ordered that the consideration of the foregoing report be the order of the day for this day fortnight, and that it be printed in the interim for the use of the members.

The house then adjourned.

J A N U A R Y 15.

Mr. JACKSON appeared, and took his seat.

Mr. speaker laid before the house the memorial of John Cochran commissioner of loans for the state of N. York, praying a further allowance for his expenditures in that office.

Also a petition from Montgomery and Owens, praying that James Rumsey may not have secured to him under the laws of the United States, any thing more than the absolute and specified improvements he has made on doctor Barkers mills, as the said Montgomery has made improvements on the construction of the same, which he wishes to bring into general use, without securing to himself any emolument for his invention.

Henry Knox, secretary at war, made report on the petition of James Gibbon, Archibald M'Allister, Dudley Tyler, John Hurst, Henry Malcomb, Peter Bennet, Charles Markley, Alexander Power, and John M'Garrah, which being read, were ordered, with the foregoing petitions to lie on the table.

Mr. HARTLEY

Observed, that there was much important business before the house last session which had been left incomplete, it was incumbent upon them to fix some rule founded in justice, not only as a direction for the house through this session, but for a guide to the succeeding ones; in what manner the business postponed from one session to another should be conducted. He was told that the subject had been already agitated, but he was led to believe from an examination of the journal, that it was not yet decided, but as it was of importance that it should be so, he intended before he sat down to offer a motion that would bring it immediately before them. He would preface it with an observation in reply to what he understood had been advanced, "that a constitutional adjournment of both houses was in effect the same as a prorogation." He knew very well that a prorogation or dissolution of the parliament of Britain destroyed all unfinished business; and that nothing was resumed at a subsequent meeting until the session was opened by the king. But an adjournment of congress, whether for a greater or less time, left the business to be resumed precisely in the same state it stood at such adjournment. He wished to determine in

point absolutely, and that it might not be done with surprise or in an indirect way, he would move to take up the bill to promote the progress of science and useful arts, by securing to authors and inventors the exclusive right to their respective writings and discoveries which stood postponed by the express order of the house from the last to the present session. This bill, he observed, was solicited by some very ingenious men, to secure to them their writings and inventions, it had been early ordered in last sessions, and was intended to have passed, but the multiplicity of other important business had caused it to be postponed, as he had just related. Gentlemen might remember that a committee was appointed to report the business it was necessary to finish before the recess, they might also remember how desirous gentlemen were of having a recess; but if it had been considered that such a measure was to destroy all the labor of the house which had not brought its objects to maturity, it would have been an insuperable objection against any adjournment whatever. He considered a vote that should annihilate all they had hitherto done, as a great piece of injustice to the public, who entertained a hope that considerable progress was made in the legislative business left incomplete at the last session, and was on the part of the house creating unnecessary trouble and expence; he saw no propriety in renewing subjects which had been well discussed, and the principles of which were well understood, unless gentlemen were desirous of traveling over the ground again in order to shew a nearer rout to bring them to their journey's end.

He was ready to shew that it was in the power of the house to establish the rule he meant to contend for, and that this rule was the one most likely to promote the public good in giving a necessary dispatch to public measures.

MR. WHITE

Wished the motion to lie on the table for consideration, but he was somewhat deceived in it, because the gentleman had intimated a desire to establish an absolute rule. Now, deciding this question would leave the subject still afloat, because he might be in favor of proceeding in one bill that was brought forward by motion, and against taking up another.

MR. HARTLEY.

If the house determine to take up this bill, I apprehend the principle will be established that is to direct our future proceedings. If all business is dismissed by the last adjournment, it will be improper to adopt my motion; but I hope

gentlemen will not endeavor to prevent its being fairly discussed and decided by introducing an indirect question.

Mr. BOUDINOT

Thought the question would not establish an uniform rule, because it was confined to a single object which depended in a great measure on its own merits.

Mr. SEDGWICK

Said it was in the power of any gentleman to bring forward business by motion ; but in such case the principle contended for would remain untouched. A member might move and carry a question for taking up any paper on the files of the house, but still the point respecting the general termination of the business at the last session would be undetermined. He thought if gentlemen were disposed to bring the matter to issue, they ought to move a general proposition, such as that the house proceed with the business of the late session from the state in which it was then left. Though he would not say but on reflection he should be against such a motion.

Mr. PAGE

Said it was impossible, from the nature of parliamentary proceedings, that the business of a former session could be resumed and proceeded in, as if no interval had taken place ; and he contended that the effect of a prorogation or adjournment of a session was the same.

The motion, by consent, was ordered to lie on the table.

Mr. SMITH proposed to go into a committee of the whole, on the president's speech, which being agreed to by the house,

And Mr. SMITH moved the following resolution,

Resolved, That so much of the speech of the president of the United States, as relates to a provision for the common defence ; the promotion of manufactures, for essential, particularly military supplies ; provision for persons employed in the intercourse between foreign nations and the United States ; the naturalization of foreigners, the establishment of a uniformity in the currency, weights and measures, the encouragement of useful inventions ; the establishment of the post-offices, and post-roads, and the promotion of science and literature ; be referred to select committees.

Mr. HARTLEY

Had no objection to this resolution, unless some part of it was intended to defeat the motion he had just laid on the table.

Mr. SMITH apprehended the principle on which the house went into committee, was distinct from the gentleman's motion.

On the question, the committee of the whole, agreed to this resolution, when they rose and reported it to the house. Whereupon,

Messrs. Gilman, Muhlenberg, Heister, Matthews and Floyd, were appointed a committee to report a plan for the national defence.

Resolved, That it be referred to the secretary of the treasury, to report the means of promoting manufactures for essential, particularly military, supplies.

Messrs. Sedgwick, Huntington and Lee, were appointed a committee to prepare, and bring in a bill or bills, making provision for persons employed in the intercourse between the United States and foreign nations.

Resolved, That a committee be appointed to bring in a bill for the establishment of a uniform rule of naturalization, and messrs. Hartly, Tucker and Moore were appointed.

The establishment of a uniformity in the coin, weights and measures of the United States, was referred to the secretary of the treasury.

The remainder of the resolution reported by the committee of the whole, was ordered to lie on the table.

Mr. GOODHUE

Moved that a committee should be appointed to bring in a bill, dividing the state of North-Carolina into districts, for the purposes of collecting the impost and tonnage duties within the same.

Mr. SMITH wished a more general resolution to adapt all the laws of the United States to that state.

Mr. SEDGWICK

Proposed the following ; *Resolved* that a committee be appointed to report a bill or bills, for making such alterations in the laws of the United States, as may be necessary to conform the same to the present state of North-Carolina.

Mr. GOODHUE

Withdrew his motion to make way for this, and it was thereupon carried in the affirmative, and messrs. Benson, Cadwallader and Trumbull were appointed.

Mr. HARTLEY moved the adjournment. When,

Mr. PAGE

Arose, and said he wished to call the attention of the

house, before they adjourned, to a subject which he thought of importance, and which ought no longer to be in the undecided state it had been in since the last session; it was this, whether the persons who had taken down and published the debates of the house, by the tacit consent of the members during the last session, and who had withdrawn from the seats they then held in the house, to the gallery, during this session, might not return to the same seats; he supposed, he said, that they had modestly withdrawn on the supposition that the debates which took place just before the adjournment, shewed that the sense of the members was against their sitting in the house; but the contrary was the case, that he knew their publications had given great satisfaction to many of the constituents of that house, that the house was applauded for its conduct on that occasion, both at home and abroad, and had been highly commended for it in some British publications; that he was anxious that the short-hand writers should resume their seats in the house, lest it might be insinuated by the jealous enemies of our government, that the house of representatives were more republican, and indulgent the last session than this; that removing those writers to the gallery, was but a step towards removing them from the house, and that this suspicion would be increased by circumstances, which, however innocent, nay proper in themselves, might be misunderstood and excite uneasiness. The doors of the gallery had been two days shut, the house had made a parade through the streets, and had displayed their eagle in their hall, that these circumstances, if followed by the exclusion of the short hand writers, might spread an alarm which ought to be avoided, he therefore hoped that those gentlemen who had retired to the gallery, might be informed that they might return to the seats they occupied in the last session—that he avoided making a regular motion to this effect, because he knew that some worthy members who wished to admit those writers, or any others, did not think their admission ought to be sanctioned by vote, and appear on the journals, lest that might sanction and authenticate erroneous publications; but that if he should not discover that the sense of the members present was in favor of the ideas he had expressed, that to-morrow he would bring forward a motion made by a member from South-Carolina (Mr. Tucker) last session, for that pur-

pose, for he had no fears that a vote of the house to authorize the admittance of such writers, would make the house answerable for their publications.

Mr. HARTLEY

Withdrew his motion for adjournment, in order that the subject alluded to by the gentleman from Virginia (mr. Page) might be understood.

Mr. WHITE

Said, he felt averse to enter into a positive resolution for the admission of any person to take down the debates, but wished them permitted to a convenient seat within the bar for the purpose of hearing with greater accuracy.— But he feared that a vote of the house would give a sanction to the details, which the publications ought not to have. Not that he thought them worse than similar publications in other countries, on the contrary, he thought them better, if he judged from what had fell under his particular observation, and what he recollected to have fell from others. He did not wish a positive motion for the admission of short-hand writers, because gentlemen might object to a vote of the kind, and he should be very loath to discourage publications, of the advantages of which, he was well convinced; he knew they had given great satisfaction to the people of America, and it was a satisfaction of which he would not deprive them. Although these publications had not given an exact, and accurate detail of all that passed in congress, yet their information had been pretty full, and he believed the errors not very many, those that were made, he supposed to arise rather from haste or inadvertence, than from design; he was convinced of this, from the disposition the publishers had manifested to correct any errors that were pointed out, and the pains they sometimes took to ask gentlemen what were their particular expressions, when they either did not hear distinctly, or did not comprehend the speaker's meaning. He wished, therefore, the business might go on; but silently, as it had heretofore done, without the express approbation of the house. He was fully convinced, that neither the editor of the register, or any other man, but the members of the house, had a right to a seat within those walls, without the consent of every member; but he thought this consent would be tacitly given if no gentleman opposed their introduction, and in this way he most heartily concurred with his colleague in

agreeing to the admission of such persons, who thought themselves qualified, and were inclined to take down and publish their debates and proceedings; he should be glad to see them in the seats they had last session, but he should object to the vote being entered on the journals of the house.

Mr. BOUDINOT

Thought the mode proper to be pursued on this occasion, would be to give a discretionary power to the speaker to admit such persons as he thought proper, under such a regulation short-hand writers might be admitted, without attaining to their publications any degree of legislative authority.

Mr. THATCHER

Hoped it was not the intention of gentlemen to confine the business to one person only, because others might appear of equal capacity, and equally deserving of encouragement.

Mr. PAGE

Said he did not wish to confine the vote to any two or three writers, he cared not how many were admitted. It ought to be remembered, that he said, when this subject was before the house at the last session, that he saw no reason why Mr. Fenno should not be within the house, as well as Mr. Lloyd, instead of being in the gallery. He had no objection to admitting any number of short-hand writers, provided they did not incommode the members.

Mr SMITH (S. C.)

I do not wish, Mr. speaker, to exclude others from a convenient seat; but at the same time, I think those who were here before, have a pre-emption right to the best. I assure you, Sir, I am sorry for the loss of them off the floor, although they are promoted to a higher station*, because I think their publications had a salutary tendency; it has been said that it was the design of the short-hand writers to give a partial representation of our proceedings, but I assure you, Sir, I have seen nothing that gives me reason to look upon this work in that light; to be sure there are some defects in it, but I believe they are generally owing to the hurry in which business of this kind is conducted, and I am confirmed in this opinion, by some errors which I have discovered in the pub-

* The editor of this work was then sitting in the gallery.

lication of our proceedings; it was said that a committee was appointed to bring in a bill for the preservation, and safe keeping of the *accounts* of the United States. I thought within myself that we were not so tenacious on this head, therefore suspected some mistake, and on consulting the journals, I found that a committee had been appointed to bring in a bill for the safe keeping and preservation of the *acts* of the United States: The similarity of the letters in these two words, and the great abridgment short-hand writers are obliged to make for the sake of expedition, may have induced him to substitute the one for the other; in another place, I found a greater blunder still, it was said, that the house had appointed a committee for the regulation of the *barbers* of the United States; this struck me as a very gross misrepresentation; for I could hardly believe, that the legislature of the union, would, at so early a day, attempt to usurp an authority not vested in them by the constitution, and that too, over a body of men, who could at any time put an end to the tyranny with the edge of the razor; but on searching the minutes in this case, I found that a bill was ordered in for the regulation of the *barbours* of the United States. Upon the whole, I believe, inaccurate as this work is, it has given to our constituents great satisfaction, and I should be glad to see our *Argus* restored to his former situation, behind the speaker's chair, from whence he could both see, and hear distinctly every thing that passed in the house, but if gentlemen are also desirous of admitting others, I am sure I shall have no objection.

Mr. BURKE

Said he had brought forward the motion at the last session, for the reasons assigned in the resolution, and with an intention of letting these publications stand upon their own bottom, as it might be supposed, by those who are not acquainted with the circumstance of the admission of the short-hand writers, that they were sanctioned by the authority of the house; this he was certain could not be the case, for their inaccuracies and misrepresentations were too glaring to be countenanced by such an authority; but he had not done it with an intention of preventing them from taking minutes, he only wished that they would do it with accuracy, and impartiality; but it was notorious that in some papers the account of the arguments on one side were multiplied, and to a shameful

degree misrepresented; with respect to the register he would not say much, but he had not such perfect confidence as some gentlemen seemed to have in the impartiality of its editor, if it was necessary to give any ground for this opinion, he could refer them to the debates of the convention of Pennsylvania by the same person, and they would find that only one volume had been published, and that all on one side; but with respect to the congressional register, he had no particular complaint: He had no objection to their being put in possession of their former places, but he hoped, after this, they would study as great a degree of accuracy, and impartiality as possible.

Mr. SLNEY said he had no objection to admitting gentlemen to take down the debates, but he should never agree to confine it to one person only.

Mr. WHITE

Was willing to admit all who thought themselves capable; and after this had no doubt but their publications would be really works of merit.

The house then adjourned.

Y A N U A R Y 18.

Mr. SINNICKSON and Mr. STONE appeared and took their seats.

A petition from James Hubbs, of the state of New-Jersey, mariner, was presented to the house and read, praying relief from a prosecution commenced against him at the suit of the United States, for neglecting to deliver manifests of goods, transported from one district, in the same state, to another, according to law, of which he alleged he was totally ignorant.

Ordered, That the said petition, together with the memorial of John Cochran, presented on Friday last, be referred to the secretary of the treasury, that he do examine the same, and report his opinion thereupon to the house.

A petition of Hannibal W. Dobbins, of the kingdom of Ireland, praying that congress may grant him a tract of land upon such reasonable terms as may encourage him to bring settlers to the country, was read and referred to Messrs. Page, Scott and Partridge.

The speaker laid before the house a letter from the treasurer of the state of New-York, together with a copy of the revised laws of the said state, sent in pursu-

ance of concurrent resolutions of the senate and assembly thereof, for the use of the house.

Mr. FOSTER,

From the committee appointed, presented, according to order, a bill, providing for the actual enumeration of the inhabitants of the United States, which was read the first time.

Adjourned.

7 JANUARY 19.

The several petitions of Jeremiah Ryan, Nathan Fuller, John Holbrook, Ruth Roberts as relief of captain Roberts and Lemuel Cravath, praying compensation for services rendered the United States, for support as invalids, and for supplies furnished; were read and ordered to lie on the table.

The petition of Benjamin Bird, stating the loss of certain loan-office certificates, and praying they may be renewed on his giving security to indemnify the United States, in case they should ever be presented for payment.

The bill for the actual enumeration of the inhabitants of the United States, was read a second time, and ordered to be committed to a committee of the whole, on Friday next.

Mr. SEDGWICK

Rose, and said the committee to whom was referred that part of the president's speech relative to making provision for persons employed in the intercourse between the United States and foreign nations, had some doubts on their mind respecting the extent of such provision, or rather respecting the construction of the words of the resolution under which they were appointed; they doubt if a strict construction would authorize them to report a bill, making a general provision for every grade of foreign ministers, or whether, on the contrary, they are not tied down to provide for those only who are now in existence. He had been desired by the committee, to suggest this doubt, and request the instruction of the house.

Mr. SMITH, (S. C.)

Said he wished to refer to the president's speech, in order to ascertain what was the intension of the house in appointing this committee; because the president's speech was the ground on which they proceeded to act.

The president's speech being read, together with the resolutions of the house founded thereon,

Mr. SEDGWICK

Said it was clear, from the president's message, what were his intentions ; but the words of the resolution appointing a committee, obscured, in some degree, the intentions of the house ; it is there said that the committee should bring in a bill for making compensation to persons employed, which seemed to confine the deliberations of the committee to that particular object.

He did not know but this provision was intended immediately to be made by the house, and the other part which related to those hereafter to be employed in the intercourse between the United States and foreign nations, left until information could be obtained from the secretary of state ; he did not see any inconvenience that would attend leaving the business altogether undecided until his arrival, which he expected might be soon, provided the gentleman accepted his appointment. He supposed the secretary of state had paid more attention, and possessed more information on this subject, than the committee had it in their power to do, or obtain. He wished it therefore left unacted upon, until the secretary should be ready to report to the house, provided the business of the nation did not suffer by the delay ; but this was a point he would not pretend to determine ; it may be necessary, for all he knew, that the United States should be represented in some of the courts of Europe, where they are not at present represented.

Mr. PAGE

Moved that the committee be discharged from further consideration on the subject, in order that it might be brought forward and determined upon in a committee of the whole. He thought this the most likely way to obtain the sense of the house on the plan which should be pursued, and whether it was proper to make a general regulation providing for the several grades in the diplomatic corps that may hereafter be employed, as well as those already in the service of the union.

Mr. LEE

Was sensible that the resolution of the house appointing a committee, was intended to be founded on the president's speech, and he supposed that the president had selected this object for the consideration of the house ; because he had not the means of sending persons to foreign courts, which the interest of the United States may require : It seemed therefore to look as a general regulation of the different grades of officers which are employed in the business

of embassy ; but this latitude was curtailed by the expressions of the house. He hoped, therefore, that the house would instruct the committee whether they should make such general regulations as they might deem necessary, or be confined to making provision for persons already appointed.

Mr. WHITE

Was in favor of a general provision ; because it might be found necessary to send ambassadors extraordinary to foreign nations, and an adequate provision for their support ought to be made, and known by such officers at the time they accepted their appointment, otherwise the president might be considerably embarrassed, whenever he intended to employ them.

Mr. JACKSON

Remarked that there was no compensation for the foreign ministers provided by the laws in the last session ; yet it was as necessary that their salaries should be known, as that of any other officer in the government ; but he thought, before the committee proceeded in the business, that an arrangement should be made of the officers necessary to be employed at foreign courts ; after it was ascertained what grade of officers should be employed at the court of Britain, the court of France, and so on, the committee might report a provision conformable to such an arrangement ; he would not say, however, that it might not be proper to refer the subject to the secretary of state, so far as to learn what places it would be proper to send ministers to. He confessed that it was his opinion the committee was in the dark on this point.

Mr. SEDGWICK

Said that the honorable gentleman from Virginia (Mr. Page,) had made a motion, if he understood him right, it met his idea, and he would second it ; for he verily believed, that under the present circumstances it would be the most eligible course to discharge the committee, and wait the arrival of the secretary of state, to get fuller information.

Mr. SMITH, (S. C.)

Could not see why the committee ought to be discharged, if they were competent to bring in a bill, and this he supposed they were without waiting the arrival of the secretary of state. The arrangement which some gentlemen talked of, laid with the president and senate. It was them who were to determine when and where to send ambassadors and other public ministers, all that the house had to do

was to make provision for their support. The question then is not whether any should be appointed, because it does not lay with the house to determine; to be sure, if they were of opinion that all intercourse with foreign nations should be cut off, they might decline to make provision for them, but he did not believe this was the intention of any gentleman; perhaps gentlemen may think it questionable whether the president can send them, unless they are previously established by law, but for his part he thought it was a business clearly within the executive branch, and with which the legislature had nothing to do, but to provide for the payment of their salaries and expenses, and this, if it was properly considered, was a competent check; if the house at any time neglected to provide for such officers, the president must either recall them or pay them out of his private purse; from this view of the subject he could not see any good reason why the committee should not pursue the business, they could make a general regulation, containing a provision for ambassadors, ministers, residents, and chargé des affaires, leaving to the president and senate to judge which of those they would employ on any occasion where they thought them necessary, he conceived it improper to refer this part of the business to the secretary of state, when the constitution placed it expressly in other hands.

Mr. SHERMAN

Was inclined to think that the legislature ought to determine how many ministers should be employed abroad, nor did he think it would be any abridgment of the executive power so to do.

Mr. PAGE

Wished the committee might be discharged, in order to settle the principles on which the house was to act, he conceived it to be the most expeditious way of doing business, to settle the principles first, and then put it into the hands of a select committee, to draft a bill conformably thereto. He thought if they proceeded in this manner, that the secretary of state might be here in time to give them what information gentlemen seemed to want.

Mr. WHITE

Said it had never been a question in his mind whether the president and secretary had a right to appoint such foreign ministers as they thought proper, the power was expressly given to them by the constitution, and was

consequently placed without the jurisdiction of this house. If the contrary doctrine was established, that the president could send no foreign minister but what he was authorized by law to send, the most inconvenient consequences might result. The exigencies that required such an appointment, might be over before the legislature had convened for the purpose of authorizing him to make it.

Mr. JACKSON

Granted that exigencies might arise, where it would be necessary for the preservation of the public tranquillity; that the president should enter into a negotiation with a foreign state; but he would ask the gentleman how it was possible for the president to establish the salaries of such negotiators as he thought it expedient to employ, without the consent of congress, or do gentlemen mean to give the same sum to the ministers who may be employed at the petty courts up the Mediterranean, as to those sent to the principal and most important nations of Europe; would they give a resident at Genoa, as much as a minister at Paris or Madrid? This can neither be the meaning nor intention of gentlemen; then I appeal to them whether it is not absolutely necessary for a proper arrangement to be made before we proceed in the business, after the arrangement is made, the committee will find every thing clear and easy to determine.

The president would find it a tender point to establish the salary of a foreign minister, if any thing discretionary is left in his power on this head, I therefore think, in order to avoid embarrassments, both with respect to him and the gentleman who shall be employed to go abroad, that the legislature should make some express provision for every circumstance that may arise, at least as far as we can decide upon the best attainable information; perhaps it would be proper to wait the arrival of the secretary of state, in order to get that light thrown on the subject which it requires; for these reasons I should favor the motion made by the honorable gentleman from Virginia for discharging the committee.

Mr. LEE

Did not conceive it necessary to contemplate the question which had now been drawn into view: he believed all that was before the house was suggested by the gentleman from Massachusetts which was that the committee had doubts on their mind relative to the provision to be made for existing officers, employed in the intercourse between the United

States and foreign nations, and those that might hereafter be employed in such intercourse. He had the honor of being of the committee, but he confessed that he had not much hesitation in determining for himself what was the proper duty of the committee: He thought that the president's speech, upon which the whole business seemed to be grounded, authorised them to take up the subject generally. He conceived the proper question before the house to be, whether they would give instructions to the committee on this point, and in order that it might be decided with precision, he would move, that it be an instruction to that committee, to include in such provision as they should make for the persons to be employed in the intercourse between the United States and foreign nations, a compensation to persons who may hereafter be employed in such intercourse. When the committee had proceeded on that instruction, and brought in their provision, accordingly, the whole subject would be before the house, and then might be the proper time to discuss the question brought forward by the gentleman from Georgia.

Mr. PAGE wished to take the sense of the house first on discharging the committee.

Whereupon the question for discharging the committee was put and lost.

Mr. PARTRIDGE

Asked whether it was in contemplation to report, under the instruction moved for, a bill for compensating all the grades of the diplomatic corps; if it was, he would suggest a circumstance that had taken place under the late congress, which was, that no person above the grade of a minister plenipotentiary, should be employed in negotiating with foreign nations. Whether this resolution was now in force or not, he would not pretend to determine; but he presumed the house were not now prepared to enter on the establishment of a corp of ambassadors, ministers, envoys and *chargé des affaires*.

Mr. BOUDINOT

Thought it would be best to make the report full and complete, and as the house were not bound by the opinion of the committee, they might then make such alterations as they thought proper.

On the question, the motion made by mr. Lee for instructing the committee was carried in the affirmative.

Mr. PAGE, from the committee, to whom was referred the petition from Hannibal William Dobbyn, made a report.

The secretary of the treasury, reported on the petition of Christopher Saddler, as follows;

Treasury Department, Jan. 19, 1790.

IN obedience to the order of the house of representatives, of the 11th instant, referring to the secretary of the treasury the petition of Christopher Saddler,

The said secretary most respectfully reports,

THAT, except the letter from the collector of the district of Boston and Charlestown, accompanying the petition, there is no evidence immediately within reach respecting the ground of the application for relief.

That though that letter is entirely satisfactory to the mind of the secretary, that the affair is of a nature to entitle the petitioner to relief; yet he does not consider it as such a document as in point of precedent, would justify the interposition of the legislature to grant it. The secretary will therefore take measures for a more regular authentication of the nature of the transaction, and will submit the result. To this there is the further inducement of its being necessary to ascertain whether the persons who may be interested in the forfeiture, are disposed to relinquish their right.

The secretary however begs leave to avail himself of the occasion, to represent to the house, that there are other instances which have come under his notice, in which considerable forfeitures have been incurred, manifestly through inadvertence, and want of information: circumstances which cannot fail to attend the recent promulgation of laws of such a nature, and seem to indicate the necessity in conformity to the usual policy of commercial nations, of vesting somewhere a discretionary power of granting relief.

That necessity, though peculiarly great in the early stages of new regulations, does not cease to operate throughout the progress of them. There occasionally occurs accidents from which heavy and ruinous forfeitures ensue, that require the constant existence of some power capable of affording relief, the proper investment of such a power is a matter of too much delicacy and importance to be determined otherwise than upon mature deliberation. Yet the secretary begs leave to submit to the consideration of the house, whether a temporary arrangement might not be made with expedition and safety; which

would avoid the inconvenience of a legislative decision on particular applications; all which is humbly submitted.

ALEXANDER HAMILTON,

Secretary of the Treasury.

Mr. SMITH thought it would be proper to refer this report to a select committee, as there appeared to be a pointed necessity for extending relief in this and similar cases.

Mr. BOUDINOT seconded the motion.

Mr. STONE wished the business could come before them in some other way; he thought it would be improper to take it up in its present form.

Mr. BOUDINOT

Suspected as the gentleman was not here when the petition of C. Saddler came first before the house, that he might not know what was the state of the business, he therefore related that the petition had been presented, read, and referred to the secretary, who had now reported thereon.

Mr. STONE

Acknowledged he was not here when the petition was brought forward, but he knew that the business had been conducted in the manner stated by the gentleman from New-Jersey, because the secretary made mention of it in the report, but he thought, it was not referred to him to report on the necessity of establishing a commission for the final determination on applications of this kind.

Mr. SMITH did not see any impropriety in conducting the business in this way; but if the gentleman would propose any other mode of proceeding in the business, he was ready to acquiesce.

On the question for referring the report to a select committee, it passed in the affirmative. And the following gentlemen were appointed a committee accordingly, viz. messrs. Ames, Sturgis, Stone, Griffin, and Wynkoop.

Mr. WADSWORTH

Made the following motion: *Ordered*, That the secretary of the treasury be directed to lay before this house, such information as he may have obtained respecting any difficulties which may have occurred in the execution of the several laws for the collecting duties on goods, wares, and merchandize, and on tonnage, and for regulating the coasting trade, and to report his opinion thereon.

Adjourned.

JANUARY 20.

Mr. MADISON, and Mr. PARKER (from Virginia) appeared and took their seats.

On motion of Mr. Sturgis, the petition of Jeremiah Ryan, praying to be placed on the invalid list, was referred to the secretary at war.

A petition from Cornelius Hoffman, in behalf of sundry inhabitants of Westchester county, state of New-York, praying compensation for property taken by the American army, was read and laid on the table.

Mr. WADSWORTH

Moved that sundry petitions from invalid officers and soldiers, which were read yesterday, and laid on the table, should be referred to the secretary at war; which motion was adopted.

The report on the petition of Hannibal W. Dobbyn, was called up for a second reading. It purported that the secretary of the treasury ought to be empowered to contract with the said H. W. Dobbyn, for the sale of a tract of land in the Western country, at a price not less than per acre, nor less than 50,000 acres, the whole to be taken up in one tract.

Mr. SCOTT

Was one of the committee to whom this petition had been referred, and he would inform the house, that on enquiring of the gentleman petitioning, he learned that the gentleman wished to purchase a larger quantity of land than would be convenient for him to pay for immediately; he is solicitous, therefore, of permission to purchase such a quantity, and to pay the price by installments: He is willing to pay one third down; one third in seven years, and the remainder in twelve years; together with interest at six per cent. on the two-thirds unpaid, from the time of closing the contract. Now, in order to know if it is possible to let him contract upon these principles, he would move to amend the report to that effect. I will declare, said he, for my own part, that I am in favor of making as many of these contracts as possible; one third of the purchase money paid down, and a settlement made on the spot, would be good security for the payment of the remainder; nor would this be all, for a contract made upon interest would amount to the extinguishment of so much of the public debt.

Mr. SMITH, (S. C.)

Thought it would be best to postpone the consideration

of the subject for the present. There was a difficulty had struck his mind, and perhaps might deserve some consideration. The applicant was avowedly an alien ; now, by the laws of this country, it was generally understood, that an alien cannot hold real estate ; they may hold it as trustees, or contrive some means to evade the law ; but I conceive it would be a solicism in government to encourage or countenance the holding of land by such a tenure. It ought also to be considered, that a committee is appointed who will probably report in a short time, the plan of uniform naturalization ; now it would be impossible for the house at this time to judge whether an alien, holding lands in America, would be able to conform in all respects to such a law.

Mr. SHERMAN said he should be glad to be informed whether the petitioner intended coming here to settle.

Mr. SCOTT

Observed that the petitioner stated in his petition, that he wished to become a citizen of the United States. With respect to the difficulty suggested by the gentleman from S. Carolina, he apprehended it might be easily removed by inserting a clause in the bill, requiring, as a condition, that the petitioner should comply with the laws of the United States in that case ; he should have no objection to letting the business lie on the table ; but from the urgent necessity there was of deciding speedily, inasmuch as the gentleman was waiting for an answer, and could not tarry long to receive it.

Mr. STONE

Said that if our lands were now valuable to foreigners, they would be so a month hence, and therefore they ought not to hurry on a contract of this nature, nor was it proper, in his opinion, to make a naturalization act to apply to an individual ; the law for disposing of the lands ought to be general, that those who comply with the terms might be equally accommodated.

Mr. WHITE

Thought it of importance that the proposals of foreigners for the purchase of unappropriated lands ought to be attended to, especially of those who intended to become citizens : He looked upon it to be the policy of this country to encourage useful settlers amongst them. If the first applicants were successful, and met with no obstacles, it might induce others to come.

Mr. BOUDINOT

Observed that the business of selling lands was of consi-

derable consequence ; if it was properly managed, it might be a productive source for the extinguishment of the national debt ; but much depended on the manner of setting out. If they went into a desultory mode of selling lands, they might do material injury : He wished a general and systematic plan might be adopted, which should not be receded from. He was therefore against the report, as he would be against any partial sale ; but as for the amendment, he was pointedly against it. He observed that there had been large sales already made, on terms known to a great part of the house ; the payments for them were not yet made, but he believed they became due upon a contingent operation of congress. He presumed that the house could not proceed understandingly in the business upon the information now in their possession. He believed it would be necessary before they proceeded, that some executive officer should take it up in some systematic point of view, contemplating what had already been done, and what ought to take place hereafter. The secretary of the treasury appeared to him to be the most proper person. He therefore wished to refer the report to him ; he might then converse with the gentleman on this particular application, and ascertain what might be most conducive to the general interest of the United States : He thought, however, that they should not undertake to make a sale to foreigners, on better terms, or more to suit their convenience, than was done for the citizens of America ; He would therefore move to refer the report of the committee to the secretary of the treasury.

Mr. SEDGWICK

Did not see what particular good would result from committing the report to the secretary of the treasury ; if it had been extended further, it would meet his idea, and perhaps the gentlemen might be willing to go with him and extend the motion so as to direct the secretary to report some general regulation for the distribution of those lands : He thought the legislature totally incompetent to form contracts with individuals on this subject ; it was difficult for so large a body to guard against impositions ; beside, it would be a waste of the public time, which could be illy spared from more important subjects. He was decidedly opposed to selling lands, unless the whole of the purchase money was paid down ; he would never consent to make individuals debtors to the union, because it tended to weaken the hands of the government, if they received but one third of the

payment, he should look upon the other two-thirds as relinquished.

Mr. BOUDINOT was willing to accommodate his motion to that proposed by Mr. Sedgwick.

Mr. PAGE

Owined that he had his doubts respecting the propriety of entering into a partial sale of the western territory ; but when he considered the peculiar circumstances of the petitioner, he was induced to believe it proper to make some special provision, if it could be proper on any occasion whatsoever, it was certainly so on this : He had also some doubts with respect to the propriety of giving credit ; but he thought they might be obviated by filling up the blank in the report with a large sum. He wished a contract could be entered into with the petitioner, because he feared if the present time was suffered to escape, they would never have an other opportunity. He could press this observation further on the house, but the delicacy of the petitioner's situation forbid him ; he hoped, therefore, they would agree to the report.

Mr. STONE

Thought that a land-office ought to be opened where every one could be accommodated, he had no idea of giving preferences or enabling one man to make a better bargain than another, he had no doubt but what the lands in the western territory would meet a ready sale upon his principles, and he believed there was reason to wish that congress had never adopted any other, for it was thought there was little or nothing got by the contracts they had already made.

Mr. LEE

Wished the report to be agreed to which he conceived it might be with safety, as to the terms of credit it might be submitted to the discretion of the house after the blank was filled up ; he thought it of great importance to sell and settle the vacant territory, it would add to the strength of the nation, and tend at the same time to extinguish the national debt.

If the house were not disposed to consider the amendment proposed by the gentleman from Pennsylvania, it might be referred to the secretary of the treasury, to use his discretion as circumstances should warrant.

Mr. SHERMAN

Thought the best way to manage this business, was to

refer it to the secretary of the treasury, as was proposed. He said that the unappropriated land in the western territory was a great fund of wealth, and which if properly disposed of might extinguish the national debt, and be peopled with a valuable class of citizens; but if from a mistaken policy it was thrown away upon foreign adventurers or speculators, the public would get nothing for them, as had been the case heretofore, in the sale of large districts, where the expences attending the surveys &c. left very little profit to the United States. It is true such measures may induce a number of foreigners to come among us, but then it ought to be remembered that such are generally persons of different education, manners, and customs from the citizens of the union, and not so likely to harmonize in a republican government, as might be wished; consequently any considerable accession of this class of settlers might tend to disturb the harmony and tranquillity, and embarrass the operations of the government. He thought it was worthy of enquiry, whether America stood in need of emigrants to people her territory; he supposed the notorious rapid population of the present inhabitants, was of itself sufficient for the purpose, it must have struck the observation of every gentleman, that they were daily throwing off vast numbers, and extending the settlements into that country which some gentlemen seemed to think could not be too early cultivated. But nevertheless, he was willing to let foreigners come in gradually, and in the same way he was inclined to dispose of the lands. He thought it would be most judicious to lay off a district at a time, reserving some lots which, with the increasing population of the surrounding ones, would encrease in value, and ultimately these reserved lots would bring more into the Treasury than the others. He wished the business to go to the Secretary of the Treasury, because he supposed he had the most information respecting it.

Mr. BALDWIN.

If the application of every individual inclined to purchase lands of the United States is to come before this house, we shall, I believe, have no leisure to attend to the more important parts of our duty. I think, mr. speaker, it must plainly appear from the discussion which has now taken place, that we are not a proper body to enter into contracts with individuals. To perform acts

of this nature with propriety, we ought to be possessed of the whole train of information on the subject; but it is pretty apparent that we are not fully acquainted with it.

There has been a difficulty suggested, whether by the common law, which is adopted in the several states, an alien can hold real estate in this country. If the common law excludes aliens from possessing lands in their own right, be it remembered that we have not adopted the common law, and therefore are free of its restraints.

He now called the attention of the house to the practice of the former congress, shewing that they referred similar applications to their board of treasury, who contracted for and sold the lands: If it was proper or convenient to give trust, the public did not give a patent for the land, they only gave an acknowledgment that they had received so much on account, and an assurance that when the remainder should be paid, a proper and full conveyance of the property should take place on the part of the government.

From these considerations he was in favor of referring the business to the secretary of the treasury, that he might report a uniform system for the sale of those lands. But to refer the report of a committee of the house to any executive officer, appeared to him informal, and derogatory to their dignity.

Mr. PAGE had no objection to refer the subject generally to the secretary of the treasury, but he hoped the house would first decide upon the report, and then the petitioner might negotiate with the proper officer, and get his business finished.

The motion for referring the report to the secretary of the treasury was put, and lost.

Mr. BALDWIN

Then moved that the report lie on the table, and that the secretary of the treasury be directed to report a uniform system for the sale of the vacant lands in the western territory.

Mr. LEE

Pressed the house to take order on the report; from the peculiar circumstances which attended the application, it was necessary to come to some immediate decision on this particular case, and he feared the act, which gentlemen contemplated, could not be passed upon for a very considerable length of time. If, however, the house would refer the report to the secretary, he might insert a clause which would accommodate Mr. Dobbyns, and be pro-

ductive of great advantages. He thought it of high importance to encourage emigration into this country from all quarter of the world, but particularly from Europe.

Mr. SEDGWICK.

Whatever might be his opinion of the present application, and however desirous he might be to encourage the sale of the western territory ; the present experiment had determined him to shut the door against all private applications to this house.

It is said, the person is a foreigner, that he lives at a distance, and must speedily complete his contract : These are reasons why we must contemplate his particular circumstances, and provide for a partial exertion in his favor. If these are arguments sufficient to induce the house to pay him exclusive attention, what would be said on the application of a fellow citizen ? Do gentlemen suppose that a foreigner is entitled to more peculiar regard than such a man ? If they do not ; we shall be perpetually employed in a menial business, and which we are greatly incompetent to : We shall most assuredly, have to extend our sessions for the whole two years of our appointment ; and our time and expences, will perhaps cost more than all we shall get by the sale of the land.

Mr. WHITE

Said if a general system was now adopted, he should not think of a discrimination in favor of any one ; but as that was not in existence, and as the necessity was pressing, he was induced to hope the house would make the special provision mentioned in the report. Indeed he thought that the success of the present motion would be a negative to the application, and would throw such a discouragement in the way of similar offers, that he feared the United States would be considerable sufferers in the end. He thought an application for fifty thousand acres, which was really and speedily intended to be settled, ought not to be compared to the million acre purchases, which it was almost impracticable to settle.

A division of the question being called for, it was determined that the report lie on the table.

And then, that the secretary of the treasury report a uniform, plan &c.

The report of the secretary at war on the petition of C. Merkle, was called up for a second reading, and after some consideration it was ordered to lie on the table.

Mr. WADSWORTH

From the committee on the business respecting the southern frontiers, and Indian affairs, informed the house he was ready to report; but this being the subject communicated by the president in confidence. The galleries were cleared, after a short interval they were opened, and,

A message was received from the senate, by mr. Otis, their secretary, informing,

That they had appointed messrs. Maclay, Elsworth and Henry, to confer with a committee to be appointed by the house, for the purpose of establishing a joint rule to determine, whether the unfinished business of last session, should be taken up in the present, in the same manner as if no adjournment had taken place.

It was then moved that the house concur with the senate, and appoint a committee accordingly.

Mr. PAGE

Said that the house had already decided the question, by their practice, and therefore a committee was unnecessary, unless the senate had pursued a different mode. He remarked the ill consequences flowing from a contrary practice, and hoped the legislature of the union would never be exposed to them, he thought it would have a very singular appearance, to give reason for supposing that the house had set fourteen days, and did not know the state of their unfinished business.

Mr. SEDGWICK

Hoped a committee would be appointed, for there was nothing improper proposed to their consideration. The senate wish for a joint rule which will be productive of uniformity and harmony; shall we abridge them of an opportunity of carrying their good intentions into effect; will this be decent or respectful? Will it be acting as one gentlemen ought to act to another? He thought it would not.

Mr. LEE

Differed in opinion with the gentleman last up, he thought each house ought to establish its own rule of procedure, it was the right they derived from a constitution, and a step of this kind might be construed to deprive them of its free exercise, he was therefore against setting a precedent injurious to the privilege of the house. If indeed there was a difference between the two houses in their practice, a committee of conference might be proper, but there was none such that he had heard of; the

house had decided already for themselves, that they would take up the business *de novo*; if the senate did the same, there would be no occasion for the appointment of a committee.

Mr. STURGIS

Thought there was a propriety in establishing a joint rule of both houses, with respect to what passed from the one to the other, if they adopted a different rule with respect to other matters, he did not suppose there would be any clashing; he was therefore inclined to confine the consideration of the committee to the first point alone.

Mr. SMITH

Contended that the house had already determined the question, which the committee were proposed to consider of; the house had appointed a committee to bring in a bill to provide for the national defence, although a committee was appointed for that purpose at the last session; that is, a committee was appointed to bring in a bill for the general regulation of the militia, and the two objects were in effect the same, that the very members who were appointed on the one, were re-appointed on the other; but if gentlemen did not think this case sufficient to determine the question, he would refer them to the journal for others, they would there find that a committee had been appointed at the last session to bring in a bill for enumerating the inhabitants of the United States, and that that subject had been specially referred to another during this session, it therefore necessarily followed, that the business of the last setting was done away by the expiration of the session.

Mr. STONE

Thought it was prudent to appoint a committee, in order to prevent a disagreement in the practice of both houses: If the senate were not consulted, they might pursue a different practice from what was adopted by the house, they might pass the bill that was now before them, and send it to the president for his approbation, in which case he presumed the bill would be a law, but if other gentlemen differed in this opinion, he did not see any necessity for involving the public in the discussion, when it might be avoided by so little trouble.

Mr. LEE

Expressed a wish, that the speaker would please to inform the house, whether he did not conceive that the decision which had taken place on appointing a committee on the subject of enumerating the inhabitants, had clearly decided the question, that the business which was left unfinished at the last session should be taken up *de novo*.

Mr. speaker said that there was a motion first proposed by a gentleman from Massachusetts, to discharge the committee; but this was withdrawn in order to give room for a motion to go into a committee of the whole on the president's speech.

This motion being lost, a motion was made to confer with the committee of the senate to report to both houses a uniform rule of proceeding; but this, after some debate, was withdrawn, then a question for appointing a committee on the business of the census was put and agreed to.

Mr. SMITH begged leave to differ from the honorable speaker, as he supposed the motion of appointing a committee of conference was put, and negatived.

Mr. WHITE

Remembered that such a motion had been made, but did not recollect how it was got rid of; but he presumed that the motion which obtained, decided that the unfinished business of the last session ought to commence *de novo*.

Mr. JACKSON thought it was a question of politeness, and he wished to keep on good terms with the senate, therefore he was in favor of the motion.

Mr. CLYMER

Said if gentlemen wished to know the sense of the house with respect to the unfinished business, they might consult the journal of the last session, when the house was pressed in point of time, after an adjournment had been deemed expedient, they determined to refer such business as they were not able to complete, specially to the next session, not only this house have agreed to this principle, but the senate have done the same; by their message, the last day but one of the late session, we find that they expressly postponed, until the next session of congress, the consideration of the amendment proposed by this house to the amendment of the senate, to the bill for establishing the seat of government. What does this mean but that the house should be in possession of the business at the subsequent meeting? If the house had been

impressed with the idea of gentlemen who are for originating the unfinished business *de novo*, they would only have recommended the consideration of those subjects at this meeting.

The question was now taken on appointing a committee of conference, and carried in the affirmative.

Whereupon, messrs. Sherman, Thatcher, Hartley, White, and Jackson, were appointed a committee for that purpose.

Mr. LEE

Then moved that the committee be instructed by the house, to inform the committee of the senate, that the house had decided the question by their practice, and determined, that the unfinished business of the last session be taken up *de novo*.

Mr. WHITE did not see any advantage that would arise from such instruction, because the senate were already acquainted with the decision.

Mr. LIVERMORE

Hoped no such instructions would be given to the committee ; he presumed the speaker had appointed gentlemen, adequate to the task, without instructions, beside, he had not learned that the senate had instructed their committee, consequently the conferrees would meet on equal ground. Committees of this kind, he observed, were appointed to investigate, and discover what was proper to be done ; their abilities, therefore, ought to be left at full liberty, nor could any inconvenience result from this, as the house were not bound to adopt the report of their committee.

The debate was interrupted by a motion for adjournment, which was agreed to, and then the house adjourned.

JANUARY 21.

Messrs. FITZSIMONS, SYLVESTER, and LEONARD, appeared and took their seats.

Mr. THATCHER presented a petition from Lemuel Miller, an officer in the army, praying a commutation for his pay.

Mr. STURGIS

Called for the second reading of the petition of David Sturgis, presented at the last session, and moved to refer it to the secretary at war, which was done accordingly.

Mr. WHITE

Suggested the propriety of extending the time for admitting the claims of the soldiers and officers of the late army, to a compensation ; he thought a general provision would be better, if a provision was at all proper, than this mode of referring the application of individuals to the executive of-

ficers, which consumed much of the time of the house unnecessarily.

Mr. LAWRENCE moved, that the petition of Cornelius Hoffman, respecting the losses of the inhabitants of West-Chester, be referred to the secretary of the treasury.

Mr. JACKSON

Objected to a partial reference of a business of this kind, if any thing was done, it ought to be upon general principles, but he observed that the losses sustained to the southward by the people of South-Carolina and Georgia, was so great that it would require all the money the public were possessed of to compensate them, their entire crops for one or two years had been totally destroyed.

The motion however for referring the petition was adopted.

Mr. SEDGWICK brought in a bill for compensating persons employed in the intercourse between the United States and foreign nations, which was read the first time.

A message from the president of the United States, was delivered by Henry Knox, secretary for the department of war, as follows :

United States, January 21, 1790.

Gentlemen of the Senate, and House of Representatives.

The secretary of the department of war has submitted to me certain principles, to serve as a plan for the general arrangement of the militia of the United States.

Conceiving the subject to be of the highest importance to the welfare of our country, and liable to be placed in various points of view, I have directed him to lay the plan before congress, for their information ; in order that they may make such use thereof as they may judge proper.

GEORGE WASHINGTON.

War-Office, January 18, 1790.

S I R,

HAVING submitted to your consideration a plan for the arrangement of the militia of the United States, which I had presented to the late congress, and you having approved the general principles thereof, with certain exceptions, I now respectfully lay the same before you, modified according to the alterations you were pleased to suggest.

It has been my anxious desire to devise a national system of defence, adequate to the probable exigencies of the United States, whether arising from internal or external causes ;

and at the same time to erect a standard of republican magnanimity, independent of, and superior to, the powerful influences of wealth.

The convulsive events, generated by the inordinate pursuit of riches, or ambition, require that government should possess a strong corrective arm.

The idea is therefore submitted, whether an efficient military branch of government can be invented, with safety to the great principles of liberty, unless the same shall be formed of the people themselves, and supported by their habits and manners.

I have the honor to be, sir, with the most perfect respect, your obedient servant,

HENRY KNOX, *Secretary for the Department of War.*
The President of the United States.

THE INTRODUCTION.

THAT a well-constituted republic is more favorable to the liberties of society, and that its principles give an higher elevation to the human mind than any other form of government, has generally been acknowledged by the unprejudiced and enlightened part of mankind.

But it is at the same time acknowledged, that unless a republic prepares itself by proper arrangements to meet those exigencies to which all states are in a degree liable, that its peace and existence are more precarious than the forms of government in which the will of one directs the conduct of the whole, for the defence of the nation.

A government whose measures must be the result of multiplied deliberations, is seldom in a situation to produce instantly those exertions which the occasion may demand; therefore it ought to possess such energetic establishments as should enable it, by the vigor of its own citizens, to controul events as they arise, instead of being convulsed or subverted by them.

It is the misfortune of modern ages, that governments have been formed by chance and events, instead of system; that without fixed principles, they are braced or relaxed, from time to time, according to the predominating power of the rulers or the ruled---The rulers possessing separate interests from the people, excepting in some of the high-toned monarchies, in which all opposition to the will of the princes seems annihilated.

Hence we look round Europe in vain for an extensive government, rising on the power inherent in the people,

and performing its operations entirely for their benefit. But we find artificial force governing every where, and the people generally made subservient to the elevation and caprice of the few: Almost every nation appearing to be busily employed in conducting some external war; grappling with internal commotion; or endeavoring to extricate itself from impending debts which threaten to overwhelm it with ruin. Princes and ministers seem neither to have leisure nor inclination to bring forward institutions for diffusing general strength, knowledge and happiness: But they seem to understand well the Michivallian maxim of politics—divide and govern.

May the United States avoid the errors and crimes of other governments; and possess the wisdom to embrace the present invaluable opportunity of establishing such institutions as shall invigorate, exalt, and perpetuate the great principles of freedom: An opportunity pregnant with the fate of millions—but rapidly borne on the wings of time, and may never again return.

The public mind, unbiassed by superstition or prejudice, seems happily prepared to receive the impressions of wisdom. The latent springs of human action, ascertained by the standard of experience, may be regulated and made subservient to the noble purpose of forming a dignified national character.

The causes by which nations have ascended and declined, through the various ages of the world, may be calmly and accurately determined; and the United States may be placed in the singular fortunate condition of commencing their career of empire, with the accumulated knowledge of all the known societies and governments of the globe.

The strength of the government, like the strength of any other vast and complicated machine, will depend on a due adjustment of its several parts. Its agriculture—its commerce—its laws—its finance—its system of DEFENCE, and its manners and habits, all require consideration, and the highest exercise of political wisdom.

It is the intention of the present attempt to suggest the most efficient system of defence which may be compatible with the interests of a free people: A system which shall not only produce the expected effect, but which in its operations shall also produce those habits and manners which will impart strength and durability to the whole government.

The modern practice of Europe, with respect to the employment of standing armies, has created such a mass of opinion in their favor, that even philosophers, and the advocates for liberty, have frequently confessed their use, and necessity, in certain cases.

But whoever seriously and candidly estimates the power of discipline, and the tendency of military habits, will be constrained to confess, that whatever may be the efficacy of a standing army in war, it cannot in peace be considered as friendly to the rights of human nature. The recent instance in France cannot with propriety be brought to overturn the general principle, built upon the uniform experience of mankind. It may be found, on examining the causes that appear to have influenced the military of France, that while the springs of power were wound up in the nation to the highest pitch, that the discipline of the army was proportionably relaxed. But any argument on this head, may be considered as unnecessary to the enlightened citizens of the United States.

A small corps of well-disciplined and well-informed artilleryists and engineers, and a legion for the protection of the frontiers, and the magazines and arsenals, are all the military establishment which may be required for the present use of the United States. The privates of the corps to be enlisted for a certain period, and after the expiration of which, to return to the mass of the citizens.

An energetic national militia is to be regarded as the CAPITAL SECURITY of a free republic; and not a standing army, forming a distinct class in the community.

It is the introduction and diffusion of vice and corruption of manners into the mass of the people, that renders a standing army necessary. It is when public spirit is despised, and avarice, indolence and effeminacy of manners predominate, and prevent the establishment of institutions which would elevate the minds of the youth in the paths of virtue and honor, that a standing army is formed and rivitted forever.

While the human character remains unchanged, and societies and governments of considerable extent are formed a principle ever ready to execute the laws and defend the state, must constantly exist. Without this vital principle, the government would be invaded or overturned, and trampled upon by the bold and ambitious. No

community can be long held together, unless its arrangements are adequate to its probable exigencies.

If it should be decided to reject a standing army for the military branch of the government of the United States; as possessing too fierce an aspect, and being hostile to the principles of liberty, it will follow that a well-constituted militia ought to be established.

A consideration of the subject will shew the impracticability of disciplining at once the mass of the people.—All discussions on the subject of a powerful militia, will result in one or other of the following principles.

First. Either efficient institutions must be established for the military education of the youth; and that the knowledge acquired therein shall be diffused throughout the community, by the mean of rotation. Or,

Secondly. That the militia must be formed of substitutes, after the manner of the militia of Great-Britain.

If the United States possess the vigor of mind to establish the first institution, it may reasonably be expected to produce the most unequivocal advantages. A glorious national spirit will be introduced, with its extensive train of political consequences. The youth will imbibe a love of their country; reverence and obedience to its laws; courage and elevation of mind; openness and liberality of character; accompanied by a just spirit of honor: In addition to which, their bodies will acquire a robustness, greatly conducive to their personal happiness, as well as the defence of their country: While habit, with its silent, but efficacious operations, will durably cement the system.

Habit, that powerful and universal law, incessantly acting on the human race, well deserves the attention of legislators—Formed at first in individuals, by sepearte and almost imperceptible impulses, until at length it acquires a force which controuls with irresistible sway.—The effects of salutary or pernicious habits, operating on a whole nation are immense, and decides its rank and character in the world.

Hence the science of legislation teaches to scrutinize every national institution, as it may introduce proper or improper habits; to adopt with religious zeal the former, and reject with horror the latter.

A republic, constructed on the principles herein stated, would be uninjured by events, sufficient to overturn a

government supported solely by the uncertain power of a standing army.

The well-informed members of the community, actuated by the highest motives of self-love, would form the real defence of the country. Rebellions would be prevented, or suppressed with ease. Invasions of such a government would be undertaken only by madmen; and the virtues and knowledge of the people would effectually oppose the introduction of tyranny.

But the second principle—a militia of substitutes, is pregnant, in a degree, with the mischiefs of a standing army; as it is highly probable the substitutes from time to time, will be nearly the same men, and the most idle and worthless part of the community. Wealthy families proud of distinctions which riches may confer, will prevent their sons from serving in the militia of substitutes; the plan will degenerate into habitual contempt; a standing army will be introduced, and the liberties of the people subjected to all the contingencies of events.

The expence attending an energetic establishment of militia may be strongly urged as an objection to the institution. But it is to be remembered, that this objection is levelled at both systems, whether by rotation or by substitutes: For if the numbers are equal, the expence will also be equal. The estimate of the expence will show its unimportance, when compared with the magnitude and beneficial effects of the institution.

But the people of the United will cheerfully consent to the expences of a measure calculated to serve as a PERPETUAL BARRIER to their liberties: Especially as they well know that the disbursements will be made among the members of the same community, and therefore cannot be injurious.

Every intelligent mind would rejoice in the establishment of an institution, under whose auspices the youth and vigor of the constitution would be renewed with each successive generation, and which would appear to secure the great principles of freedom and happiness against the injuries of time and events.

The following plan is formed on these general principles.

First. That it is the indispensable duty of every nation to establish all necessary institutions for its own perfection and defence.

Secondly. That it is a capital security to a free state, for the great body of the people to possess a competent knowledge of the military art.

Thirdly. That this knowledge cannot be attained in the present state of society, but by establishing adequate institutions for the military education of youth; and that the knowledge acquired therein should be diffused throughout the community, by the principles of rotation.

Fourthly. That every man of the proper age and ability of body, is firmly bound by the social compact, to perform, personally, his proportion of military duty for the defence of the state.

Fifthly. That all men of the legal military age, should be armed, enrolled, and held responsible for different degrees of military service.

And, sixthly. That, agreeably to the constitution, the United States are to provide for organizing, arming and disciplining the militia; and for governing such part of them as may be employed in the service of the United States; reserving to the states, respectively, the appointment of the officers, and the authority of training the militia according to the discipline prescribed by congress.

The P L A N.

The period of life in which military service shall be required of the citizens of the United States, to commence at eighteen, and terminate at the age of sixty years.

The men comprehended by this description, exclusive of such exceptions as the legislatures of the respective states may think proper to make, and all actual mariners, shall be enrolled for different degrees of military duty, and divided into three distinct classes.

The first class shall comprehend the youth of 18, 19, and 20 years of age; to be denominated the advanced corps.

The second class shall include the men from 21 to 45 years of age; to be denominated the main corps.

The third class shall comprehend, inclusively, the men from 46 to 60 years of age, to be denominated the reserved corps.

All the militia of the United States shall assume the form of the legion, which shall be the permanent establishment thereof.

A legion shall consist of 153 commissioned officers, and

2880 non-commissioned officers and privates, formed in the following manner :

First.—*The Legionary Staff.*

One legionary, or major-general.

Two aids de-camp, of the rank of major ; one of whom to be the legionary quarter-master.

One inspector and deputy adjutant-general, of the rank of lieutenant-colonel.

One chaplain.

Second.—*The Brigade Staff.*

One brigadier-general.

One brigade inspector, to serve as an aid-de-camp.

Third.—*The Regimental Staff.*

One lieutenant-colonel commandant.

Two majors.

One adjutant.

One pay-master, or agent.

One quarter-master

Fourth.—*Two Brigades of Infantry.*

Each brigade of 2 regiments ; each regiment of 8 companies, forming two battalions ; each company of a captain, lieutenant, ensign, 6 serjeants, 1 drum, 1 fife, and 64 rank and file.

Fifth.—*Two Companies of Riflemen.*

Each company to have a captain, lieutenant, ensign, 6 serjeants, a bugle-horn, 1 drum, and 64 rank and file.

Sixth.—*A Battalion of Artillery.*

Consisting of 4 companies ; each to have a captain, captain-lieutenant, one lieutenant, 6 serjeants, 12 artificers, and 52 rank and file.

Seventh.—*A Squadron of Cavalry.*

Consisting of 2 troops ; each troop to have a captain, 2 lieutenants, a cornet, 6 serjeants, 1 farrier, 1 saddler, 1 trumpeter, and 64 dragoons.

In case the whole number of the advanced corps in any state, should be insufficient to form a legion of this extent, yet the component parts must be preserved, and the reduction proportioned, as nearly as may be, to each part.

The companies of all the corps shall be divided into sections of twelve each. It is proposed by this division, to establish one uniform vital principle, which, in peace and war, shall pervade the militia of the United States.

All requisitions for men to form an army, either for state or federal purposes, shall be furnished by the advanced and main corps, by means of the sections,

The executive government, or commander in chief of the militia of each state, will assess the numbers required, on the respective legions of these corps.

The legionary general will direct the proportions to be furnished by each part of his command. Should the demand be so great as to require one man from each section, then the operation hereby directed shall be performed by single sections. But if a less number should be required, they will be furnished by an association of sections, or companies, according to the demand. In any case, it is probable that mutual convenience may dictate an agreement with an individual, to perform the service required. If, however, no agreement can be made, one must be detached by an indiscriminate draught ; and the others shall pay him a sum of money, equal to the averaged sum which shall be paid in the same legion for the voluntary performance of the service required.

In case any sections, or companies of a legion, after having furnished its own quota, should have more men, willing to engage for the service required, other companies of the same legion shall have permission to engage them. The same rule to extend to the different legions in the state.

The legionary general must be responsible to the commander in chief of the militia of the state, that the men furnished are according to the description, and that they are equipped in the manner, and marched to the rendezvous, conformably to the orders for that purpose.

The men who may be draughted, shall not serve more than three years at one time.

The reserved corps being destined for the domestic defence of the state, shall not be obliged to furnish men, excepting in cases of actual invasion, or rebellion ; and then the men required shall be furnished by means of the sections.

The actual commissioned officers of the respective corps, shall not be included in the sections, nor in any of the operations thereof.

The respective states shall be divided into portions or districts ; each of which to contain, as nearly as may be, some complete part of a legion.

Every citizen of the United States, who shall serve his country in the field, for the space of one year, either as an officer or soldier, shall, if under the age of 21 years, be exempted from the service required in the advanced corps. If he shall be above the age of 21 years, then every year he shall so serve in the field, shall be estimated as equal to six

years service in the main or reserved corps, and shall accordingly exempt him from every service therein for the said term of six years, except in cases of actual invasion of, or rebellion within the state in which he resides. And it shall also be a permanent establishment, that six years actual service in the field, shall entirely free every citizen from any further demands of service, either in the militia, or in the field, unless in cases of invasion or rebellion.

All actual mariners or seamen, in the respective states, shall be registered in districts, and divided into two classes. The first class to consist of all the seamen from the age of 16 to 30 years, inclusively. The second class to consist of all those of the age of 31 to 45, inclusively.

The first class shall be responsible to serve three years on board of some public armed vessel or ship of war, as a commissioned officer, warrant officer, or private mariner, for which service they shall receive the customary wages and emoluments.

But should the state not demand the said three years service during the above period, from the age of 16 to 30 years, then the party to be exempted entirely therefrom.

The person so serving shall receive a certificate of his service, on parchment, according to the form which shall be directed, which shall exempt him from any other than voluntary service, unless in such exigencies as may require the services of all the members of the community.

The second class shall be responsible for a proportion of service, in those cases to which the first class shall be unequal. The numbers required shall be furnished by sections, in the same manner as is prescribed for the sections of the militia.

Of the Advanced Corps.

The advanced corps are designed not only as a school in which the youth of the United States are to be instructed in the art of war, but they are, in all cases of exigence, to serve as an actual defence to the community.

The whole of the armed corps shall be clothed according to the manner hereafter directed, armed and subsisted at the expence of the United States; and all the youth of the said corps, in each state, shall be encamped together, if practicable, or by legions, which encampments shall be denominated the annual camps of discipline.

The youth of 18 and 19 years, shall be disciplined for 30 days successively in each year; and those of 20 years

shall be disciplined only for ten days in each year, which shall be the last ten days of the annual encampments.

The non-commissioned officers and privates are not to receive any pay during the said time. But the commissioned officers will receive the pay of their relative ranks, agreeably to the federal establishment for the time being.

In order that the plan shall effectually answer the end proposed, the first day of January shall be the fixed period, for all who attain the age of 18 years, in any part, or during the course of each year, to be enrolled in the advanced corps, and to take the necessary oaths, to perform personally such legal military service as may be directed, for the full and complete term of three years, to be estimated from the time of entrance into the said corps; and also to take an oath of allegiance to the state, and to the United States.

The commanding officer, or general of the advanced legions of the district, shall regulate the manner of the service of the youth respectively, whether it shall be in the infantry, artillery or cavalry; but after having entered into either of them, no change should be allowed.

Each individual, at his first joining the annual camps of discipline, will receive complete arms and accoutrements, all of which, previously to his being discharged from the said camps, he must return to the regimental quarter-master, on the penalty of _____ dollars, or _____ months imprisonment.

The said arms and accoutrements, shall be marked in some conspicuous place, with the letters M. U. S. And all sales or purchases of any of the said arms or accoutrements, shall be severely punished according to law.

And each individual will also, on his first entrance into the advanced corps, receive the following articles of uniform clothing; one hat, one uniform short coat, one waistcoat, and one pair of overalls; which he shall retain in his own possession, and for which he shall be held accountable, and be compelled to replace all deficiencies during his service in the annual camps of discipline.

Those who shall serve in the cavalry, shall be at the expence of their own horses, and uniform helmets, and horse-furniture; but they shall receive forage for their horses, swords, pistols, and cloathing, equal in value to the infantry.

At the age of twenty-one years, every individual having served in the manner and for the time prescribed, shall re-

ceive an honorary certificate thereof, on parchment, and signed by the legionary general and inspector.

The names of all persons to whom such certificates shall be given, shall be fairly registered in books, to be provided for that purpose.

And the said certificate, or an attested copy of the register aforesaid, shall be required as an indispensable qualification for exercising any of the rights of a free citizen, until after the age of years.

The advanced legions, in all cases of invasion, or rebellion, shall, on requisition of lawful authority, be obliged to march to any place within the United States, to remain embodied for such time as shall be directed, not to exceed one year, to be computed from the time of marching from the regimental parades; during the period of their being on such service, to be placed on the continental establishment, of pay, subsistence, cloathing, forage, tents, camp-equipage, and all such other allowances, as are made to the federal troops at the same time, and under the same circumstances.

If the military service so required, should be for such a short period, as to render an actual issue of cloathing unnecessary, then an allowance should be made, in proportion to the annual cost of cloathing for the federal foldier, according to estimates to be furnished for that purpose, from the war-office of the United States.

In case the legions of the advanced corps should march to any place, in consequence of a requisition of the general government, all legal and proper expences of such march, shall be paid by the United States. But should they be embodied, and march in consequence of an order, derived from the authority of the state to which they belong, and for state purposes, then the expences will be borne by the state.

The advanced corps shall be constituted on such principles, that when completed, it will receive one third part, and discharge one third part of its numbers annually. By this arrangement, two thirds of the corps will at all times be considerably disciplined; but as it will only receive those of eighteen years of age, it will not be completed until the third year after its institution. Those who have already attained the ages of nineteen and twenty years, will, in the first instance, be enrolled in the main corps.

But one half of the legionary officers to be appoint-

ed the first, and the other, the second year of the establishment.

The officers of each grade in the states respectively, shall be divided into three classes, which shall by lot be numbered one, two, and three, and one of the said classes, according to their numbers, shall be deranged every third year. In the first period of nine years, one third part will have to serve three, one third part six, and one third part, nine years. But, after the said first period, the several classes will serve nine years, which shall be the limitation of service by virtue of the same appointment; and in such cases, where there may not be three officers of the same grade, the limitation of nine years service shall be observed. All vacancies occasioned by the aforesaid derangements, or any casualties shall be immediately filled by new appointments.

The captains and subalterns of the advanced corps, shall not be less than twenty-one, nor more than thirty-five, and the field-officers shall not exceed forty-five years of age.

Each company, battalion, and regiment, shall have a fixed parade, or place at which to assemble. The companies shall assemble at their own parade, and march to the parade of the battalion, and the battalions to the regimental parade; and when thus embodied, the regiment will march to the rendezvous of the legion. Every commanding officer of a company, battalion, and regiment, will be accountable to his superior officer, that his command is in the most perfect order.

The officers to receive subsistence money, in lieu of provisions, in proportion to their respective grades, and those whose duties require them to be on horseback, will receive forage in the same proportion.

Every legion must have a chaplain, of respectable talents and character, who, besides his religious functions, should impress on the minds of the youth, at stated periods, in concise discourses, the eminent advantages of free governments to the happiness of society, and that such governments can only be supported by the knowledge, spirit, and virtuous conduct of the youth—To be illustrated by the most conspicuous examples of history.

No amusements should be admitted in camp, but those which correspond with war. The swimming of men and horses, running, wrestling, and such other exercises, as should render the body flexible and vigorous.

The camps should, if possible, be formed near a river, and remote from large cities. The first is necessary for the

practice of the manœuvres, the second to avoid the vices of populous places.

The time of the annual encampments shall be divided into six parts or periods of five days each. The first of which shall be occupied in acquiring the air, attitudes, and first principles of a soldier—the second in learning the manual exercise, and to march individually, and in small squads. The third and fourth, in exercising and manœuvring in detail, and by battalions and regiments. In the fifth, the youth of twenty, having been disciplined during the two preceding annual encampments, are to be included. This period is to be employed in the exercise and tactic of the legion; or, if more than one, in executing the grand manœuvres of the whole body—marching, attacking and defending in various forms, different grounds and positions; in fine, in representing all the real images of war, excepting the effusion of blood.

The guards, and every other circumstance of the camp, to be perfectly regulated.

Each state will determine on the season, in which its respective annual encampments shall be formed, so as best to suit the health of the men, and the general interests of the society.

The United States to make an adequate provision, to supply the arms, cloathing, rations, artillery, ammunition, forage, straw, tents, camp-equipage, including every requisite for the annual camps of discipline. And also for the pay and subsistence of the legionary officers, and for the following general staff.—One inspector-general, one adjutant-general, one quarter-master-general, with a deputy for each state.

These officers will be essential to the uniformity, œconomy and efficacy of the system, to be appointed in the manner prescribed by the constitution of the United States.

The quarter-master-general shall be responsible to the United States for the public property of every species, delivered to him for the annual camps of discipline; and his deputy in each state shall be responsible to him.

At the commencement of the annual camps of discipline, the deputy quarter-master will make regular issues to the legionary or regimental quarter-masters, as the case may be, of all the articles, *of every species*, provided by the United States.

The returns for the said articles, to be examined and
VOL. III. T

certified by the highest legionary or regimental officer, as the case may be, who shall be responsible for the accuracy thereof.

At the expiration of the annual camps of discipline, all public property, (cloathing excepted) shall be returned to the deputy quarter-master of the state, who shall hold the legionary quarter-master accountable for all deficiencies. All the apparatus and property so returned, shall be carefully examined, repaired and deposited in a magazine, to be provided in each state for that purpose, under the charge of the said deputy quarter-master, until the ensuing annual encampment, or any occasion which may render a new issue necessary.

Corporal punishments shall never be inflicted in the annual camps of discipline; but a system of fines and imprisonment, shall be formed for the regular government of said camps.

Of the Main Corps.

As the main and reserved corps are to be replenished by the principle of rotation, from the advanced corps, and ultimately to consist of men, who have received their military education therein, it is proper that one uniform arrangement should pervade the several classes.

It is for this reason the legion is established as the common form of all the corps of the militia.

The main legions, consisting of the great majority of the men of the military age, will form the principal defence of the country.

They are to be responsible for their proportion of men, to form an army whenever necessity shall dictate the measure; and on every sudden occasion to which the advanced corps shall be incompetent, an adequate number of non-commissioned officers and privates shall be added thereto, from the main corps, by means of the sections.

The main corps will be perfectly armed in the first instance, and will practice the exercise and manœuvres, four days in each year, and will assemble in their respective districts, by companies, battalions, regiments, or legions, as shall be directed by the legionary general; but it must be a fixed rule, that in the populous parts of the states, the regiments must assemble once annually, and the legions once in three years.

Although the main corps cannot acquire a great degree of military knowledge in the few days prescribed for its annual exercise, yet by the constant accession of the youth from

the advanced corps, it will soon command respect for its discipline, as well as its numbers.

When the youth are transferred from the advanced corps, they shall invariably join the flank companies, the cavalry, or artillery of the main corps, according to the nature of their former services.

Of the Reserved Corps.

The reserved corps will assemble only twice annually, for the inspection of arms, by companies, battalions, or regiments, as shall be directed by each state. It will assemble by legions, whenever the defence of the state may render the measure necessary.

Such are the propositions of the plan: To which it may be necessary to add some explanations.

Although the substantial political maxim, which requires personal service of all the members of the community for the defence of the state, is obligatory under all forms of society, and is the main pillar of a free government, yet the degrees thereof may vary at the different periods of life, consistently with the general welfare. The public convenience may also dictate a relaxation of the general obligation as it respects the principal magistrates and the ministers of justice and of religion, and perhaps some religious sects. But it ought to be remembered, that measures of national importance, never should be frustrated by the accommodation of individuals.

The military age has generally commenced at sixteen, and terminated at the age of sixty years: but the youth of sixteen do not commonly attain such a degree of robust strength, as to enable them to sustain without injury, the hardships incident to the field; therefore the commencement of military service, is herein fixed at eighteen, and the termination, as usual, at sixty years of age.

As the plan proposes, that the militia shall be divided into three capital classes, and that each class shall be formed into legions, the reasons for which shall be given in succession.

The advanced corps, and annual camps of discipline, are instituted in order to introduce an operative military spirit in the community. To establish a course of honorable military service, which will at the same time, mould the minds of the young men, to a due obedience of the laws; instruct them in the art of war, and by the manly exercises of the field, form a race of hardy citizens, equal to the dignified task of defending their country.

An examination into the employments and obligations of the individuals composing the society, will evince the impossibility of diffusing an adequate knowledge of the art of war, by any other means than a course of discipline, during the period of nonage. The time necessary to acquire this important knowledge, cannot be afforded at any other period of life, with so little injury to the public or private interests.

Without descending to minute distinctions, the body of the people of the United States, may be divided into two parts. The yeomanry of the country, and the men of various employments, resident in towns and cities. In both parts, it is usual for the male children, from the age of fourteen to twenty-one years, to learn some trade or employment, under the direction of a parent or master. In general, the labour or service of the youth during this period, besides amply repaying the trouble of tuition, leaves a large profit to the tutor. This circumstance is stated to shew, that no great hardships will arise in the first operations of the proposed plan; a little practice will render the measure perfectly equal, and remove every difficulty.

Youth is the time for the state to avail itself of those services which it has a right to demand, and by which it is to be invigorated and preserved; in this season, the passions and affections are strongly influenced by the splendor of military parade. The impressions the mind receives will be retained through life. The young man will repair with pride and pleasure to the field of exercise; while the head of a family, anxious for its general welfare, and perhaps its immediate subsistence, will reluctantly quit his domestic duties for any length of time.

The habits of industry will be rather strengthened than relaxed, by the establishment of the annual camps of discipline, as all the time will be occupied by the various military duties. Idleness and dissipation will be regarded as disgraceful, and punished accordingly. As soon as the youth attain the age of manhood, a natural solicitude to establish themselves in the society, will occur in its full force. The public claims for military service, will be too inconsiderable to injure their industry. It will be sufficiently stimulated to proper exertions, by the prospects of opulence attending on the cultivation of a fertile soil, or the pursuits of a productive commerce.

It is presumed that thirty days annually during the eighteenth and nineteenth, and ten days during the twentieth year, is the least time that ought to be appropriated by the youth to the acquisition of the military art. The same number of days might be added during the twentieth as during the two preceding years, were not the expence an objection.

Every means will be provided by the public to facilitate the military education of the youth, which it is proposed shall be an indispensable qualification of a free citizen, therefore they will not be entitled to any pay. But the officers being of the main corps, are in a different predicament ;—They are supposed to have passed through the course of discipline required by the laws, and to be competent to instruct others in the military art. As the public will have but small claims for personal services on them, and as they must incur considerable expences to prepare themselves, to execute properly their respective offices, they ought to be paid while on actual duty.

As soon as the service of the youth expires in the advanced corps, they are to be enrolled in the main corps. On this occasion, the republic receives disciplined and free citizens, who understand their public rights, and are prepared to defend them.

The main corps is instituted, to preserve and circulate throughout the community, the military discipline, acquired in the advanced corps; to arm the people, and fix firmly, by practice and habit, those forms and maxims, which are essential to the life and energy of a free government.

The reserved corps is instituted to prevent men being sent to the field, whose strength is unequal to sustain the severities of an active campaign. But by organizing and rendering them eligible for domestic service, a greater proportion of the younger and robust part of the community, may be enabled in cases of necessity, to encounter the more urgent duties of war.

It would be difficult, previously to the actual formation of the annual camps of discipline, to ascertain the number in each state, of which it would be composed. The frontier counties of several states are thinly inhabited, and require all their internal force for their immediate defence. There are other infant settlements, from which it might be injurious to draw away their youth annually for the purpose of discipline.

No evil would result, if the establishment of the advanced corps should be omitted in such districts for a few years. Besides, the forbearance in this respect would lessen the expence, and render the institution more compatible with the public finances.

The several state legislatures, therefore, as best understanding their local interests, might be invested with a discretionary power to omit the enrollments for the advanced corps, in such of their frontier and thinly inhabited counties as they may judge proper.

If the number of three millions may be assumed as the total number of the inhabitants within the United States, half a million may be deducted therefrom, for blacks; and pursuant to the foregoing ideas, another half million may be deducted, on account of the thinly settled parts of the country.

The proportion of men of the military age, from 18 to 60 years inclusively, of two millions of people of all ages and sexes, may be estimated at 400,000. There may be deducted from this number, as actual mariners, about 50,000, and a further number of 25,000, to include exempts of religious sects, and of every other sort which the respective states may think proper to make.

Three hundred and twenty-five thousand, therefore, may be assumed, as the number of operative, fencible men, to compose the militia. The proportion of the several classes of which would be nearly as follows;

Firstly. The advanced corps, one tenth composed of the youth of the ages of 18, 19, & 20 years, 32,500

Secondly. The main corps, six tenths and one twentieth, 211,250

Thirdly. The reserved corps, two tenths and one twentieth, 81,250

Total, 325,000

The following estimate is formed for the purpose of exhibiting the annual expence of the institution of the advanced corps, stating the same at 30,000 men.

Estimate of the expence of the annual camps of discipline, as proposed in the foregoing plan, arising on each of the first three years, and after that period, of the annual expence of the institution.

The First Year.

Dollars.

10,000 suits of uniform cloathing, slated
at eight dollars ; each suit of which shall
serve for the three years discipline 80,000

10,000 rations per day for 30 days, each
ration slated at 10 cents, 30,000

The expence of four complete corps of
legionary officers of all descriptions, for
30 days, including pay, subsistence, and
forage, 27,870

Forage for the cavalry, 4,800

Straw, camp-kettles, bowls, axes, can-
teens and fuel, 20,000

Annual proportion of the expence of
tents for officers and soldiers, which may
serve for eight annual encampments 3,000

Four legionary standards, 2,000

Regimental colours, 1,000

Consumption of powder and ball, shot
and shells, damage to arms and accoutre-
ments, and artillery, and transportation of
the same, slated at 25,000

Hospital department, 5,000

Contingencies of the quarter-master's
and other departments, 15,000

General staff, adjutant-general, quarter-
master-general, inspector general, and their
deputies, 12,000

225,670

Entire expence of the first year, Dollars, 225,670

Additional Expences on the Second Year.

10,000 rations per day, for 30 days,
are 300,000 rations, at 10 cents, 30,000

The expence of four complete corps of
legionary officers of all descriptions, for
30 days, including pay, subsistence and
forage, 27,870

Four legionary standards, 2,000

Regimental colours, 1,000

Forage for the cavalry, 4,800

Tents, straw, camp-kettles, bowls, axes,
canteens and fuel, 20,000

Carried forward 85,670 225,670

	Dollars.	
Brought forward,	85,670	225,670
Hospital department,	5,000	
Contingencies in the quarter-master's and other departments,	15,000	
Ammunition, damage to arms and ac- coutrements,	15,000	
		120,670

Combined expences of the first and second year, 346,340
Additional Expences on the Third Year.

The expence of 10,000 rations for ten days, is 100,000 rations, at ten cents,	10,000	
Forage,	1,600	
For the camp equipage,	10,000	
Tents,	1,500	
Hospital stores,	1,000	
Ammunition, damage to arms and ac- coutrements,	10,000	
Contingencies in the quarter-master's and other departments,	10,000	
		44,100

The total expence of the first three years, dols. 390,440

It is to be observed, that the officers for four legions, will be adequate to command the youth of 18, who commence their discipline the first year, and that the same number of officers will be required for the second year. The youth of the third year may be incorporated by sections in the existing corps, so that no additional officers will be required on their account.

Hence it appears that the expence of 10,000 men for one year amounts to	225,670
20,000 for the 2d year, to	346,340
30,000 for the 3d year, to	390,440

If the youth of the three ages of 18, 19, and 20, be disciplined at once, the last mentioned sum will be about the fixed annual expence of the camps of discipline, from which, however, is to be deducted, 6,000 dollars, being the expence of the standards and colours, the former of which will be of a durable nature, and the latter will not require to be replaced oftener than once in 20 years,

The annual expence of the advance corps, 384,440

Thus for a sum less than 400,000 dollars annually, which, apportioned on three millions of people, would be little more than one eighth of a dollar each, an energetic republican militia may be durably established; the invaluable principles of liberty secured, and perpetuated, and a dignified national fabric erected on the solid foundation of public virtue.

The main and reserved corps, must be perfectly organized in the first instance; but the advanced corps will not be completed until the third year of its institution.

The combination of troops of various descriptions into one body, so as to invest it with the highest and greatest number of powers, in every possible situation, has long been a subject of discussion, and difference of opinion. But no other form appears so well to have sustained the criterion of time and severe examination, as the *Roman Legion*. This formidable organization, accommodated to the purposes of modern war, still retains its original energy and superiority. Of the ancients, Polybius and Vegetius, have described and given the highest encomiums of the legion. The former, particularly in his comparative view of the advantages and disadvantages of the Macedonian and Roman arms, and their respective orders of battles, has left to mankind an instructive and important legacy. Of the moderns, the illustrious marshal Saxe, has modelled the legion for the use of fire-arms, and strenuously urges its adoption, in preference to any other form. And the respectable and intelligent veteran, late inspector-general of the armies of the United States, recommends the adoption of the legion*.

“Upon a review,” says he, “of all the military of Europe, there does not appear to be a single form which could be safely adopted by the United States. They are unexceptionably different from each other; and like all other human institutions, seem to have started as much out of accident as design. The local situation of the country, the spirit of the government, the character of the nation, and in many instances the character of the prince, have all had their influence in settling the foundation and discipline of their respective troops, and render it impossible that we should take either as a model. The legion, alone, has not been adopted by any; and yet I am confident in asserting, that whether it be examined as applicable to all countries, or as it may immediately apply to the existing or probable

* *Vide, letter addressed to the inhabitants of the United States, on the subject of an established militia.*

necessity of this, it will be found strikingly superior to any other.

“ 1st. Being a complete and little army of itself, it is ready to begin its operations on the shortest notice or slightest alarm. 2d. Having all the component parts of the largest army of any possible description, it is prepared to meet every species of war that may present itself. And, 3d. As in every case of detachment, the first constitutional principle will be preserved, and the embarrassments of draughting, and detail, which in armies differently framed too often distract the commanding officer, will be avoided.

“ It may easily suggest itself from this sketch, that in forming a legion the most difficult task is to determine the necessary proportion of each species of soldiers which is to compose it. This must obviously depend upon what will be the theatre, and what the stile of the war. On the plains of Poland, whole brigades of cavalry would be necessary against every enemy ; but in the forest and among the hills of America, a single regiment would be more than sufficient against any. And as there are but two kinds of war to which we are much exposed, viz. an attack from the sea-side by an European power, aided by our sworn enemies, settled on our extreme left, and an invasion of our back settlements by an Indian enemy ; it follows of course, that musketeers and light-infantry should make the greatest part of your army.”

The institution of the section is intended to interest the patriotism and pride of every individual in the militia, to support the legal measures of a free government ; to render every man active in the public cause, by introducing the spirit of emulation, and a degree of personal responsibility.

The common mode of recruiting is attended with too great destruction of morals to be tolerated ; and is too uncertain to the principal resource of a wise nation in time of danger. The public faith is frequently wounded by unworthy individuals, who hold out delusive promises, which can never be realised. By such means, an unprincipled banditti are often collected for the purpose of defending every thing that should be dear to freemen. The consequences are natural ; such men either desert in time of danger, or are ever ready on the slightest disgust to turn their arms against their country.

By the establishment of the sections, an ample and permanent source is opened, whence the state, in every exi-

gence, may be supplied with men, whose all depends upon the prosperity of their country.

In cases of necessity, an army may be formed of citizens, whose previous knowledge of discipline will enable it to proceed to an immediate accomplishment of the designs of the state, instead of exhausting the public resources, by waiting whole years in preparing to face the enemy.

The previous arrangements, necessary to form and maintain the annual encampments, as well as the discipline acquired therein, will be an excellent preparation for war.—The artillery and its numerous appendages, arms and accoutrements of every kind, and all species of ammunition, ought to be manufactured within the United States. It is of high importance that the present period should be embraced to establish adequate institutions to produce the necessary apparatus of war.

It is unworthy the dignity of a rising and free empire, to depend on foreign and fortuitous supplies of the essential means of defence.

The cloathing for the troops could with ease be manufactured within the United States, and the establishment in that respect would tend to the encouragement of important manufactories.

The disbursements made in each state, for the rations, forage, and other necessary articles for the annual camps of discipline, would most beneficially circulate the money, arising from the public revenue.

The local circumstances of the United States, their numerous sea-ports, and the protection of their commerce, require a naval arrangement. Hence the necessity of the proposed plan, embracing the idea of the states obtaining men on republican principles for the marine as well as the land service. But one may be accomplished with much greater facility than the other; as the preparation of a soldier for the field, requires a degree of discipline, which cannot be learned without much time and labour; whereas the common course of sea-service, on board of merchant vessels, differs but little from the service required on board of armed ships: Therefore the education for war in this respect, will be obtained without any expence to the state.—All that seems to be requisite on the head of marine service is, that an efficient regulation should be established in the respective states, to register all actual seamen, and to render those of a certain age amenable to

the public for personal service, if demanded within a given period.

The constitutions of the respective states, and of the United States, having directed a mode in which the officers of the militia shall be appointed, no alteration can be made therein. Although it may be supposed that some modes of appointment are better calculated than others to inspire the highest propriety of conduct, yet there are none so defective to serve as a sufficient reason for rejecting an efficient system for the militia. It is certain that the choice of officers, is the point on which the reputation and importance of a corps must depend. Therefore every person who may be concerned in the appointment, should consider himself as responsible to his country for a proper choice.

The wisdom of the states will be manifested by inducing those citizens of whom the late American army was composed, to accept of appointments in the militia. The high degree of military knowledge which they possess, was acquired at too great a price, and is too precious to be buried in oblivion; it ought to be cherished, and rendered permanently beneficial to the community.

The vigor and importance of the proposed plan, will entirely depend on the laws relative thereto. Unless the laws shall be equal to the object, and rigidly enforced, no energetic national militia can be established.

If wealth be admitted as a principle of exemption, the plan cannot be executed. It is the wisdom of political establishments to make the wealth of individuals subservient to the general good, and not to suffer it to corrupt or attain undue indulgence.

It is conceded, that people, solicitous to be exonerated from their proportion of public duty, may exclaim against the proposed arrangement as an intolerable hardship: But it ought to be strongly impressed, that while society has its charms, it also has its indispensable obligations. That to attempt such a degree of refinement, as to exonerate the members of the community from all personal service, is to render them incapable of the exercise, and unworthy of the characters of freemen.

Every state possesses, not only the right of personal service from its members, but the right to regulate the service on principles of equality for the general defence. All being bound, none can complain of injustice, on being

obliged to perform his equal proportion. Therefore it ought to be a permanent rule, that those who in youth decline, or refuse to subject themselves to the course of military education, established by the laws, should be considered as unworthy of public trust, or public honors, and be excluded therefrom accordingly.

If the majesty of the laws should be preserved inviolate in this respect, the operations of the proposed plan would foster a glorious public spirit; infuse the principles of energy and stability into the body politic; and give an high degree of political splendor to the national character.

On motion, the foregoing report was referred to a committee of the whole on the state of the union.

Mr. WADSWORTH moved for the house to resolve itself into a committee of the whole, on the report of the select committee on the state of the South-Western frontiers, and Indian affairs. This motion being adopted, the galleries were shut.

But this report was adopted by the committee, without any amendment and reported to the house, after which they adjourned.

JANUARY 22.

The secretary of the treasury, agreeable to notice given in his report on the 14th current, laid before the house the following.

GENERAL POST-OFFICE.

New-York, Jan. 20, 1790,

SIR,

In obedience to the orders of the supreme executive, I have the honor of laying before you such remarks and observations as have occurred to me, in attending to the department of the post-office; many of these observations will be found to be of a general nature, and founded in opinion; for there are not documents in the office on which to found estimates that would afford satisfaction.

The existing ordinance for regulating the post-office, though very defective in many things, has not probably ever been put fully in execution; yet the smallness of the revenue arising under the same, may have been the effect of various causes, some of which could not, and others might have been remedied, but not so fully as they may under the present government.

As to the revenue of the post-office, it may be observed, *first* that there may be so few letters written, that under the best regulations, it would not amount to any thing consider-

able ; and the dispersed manner of settling the country, may operate powerfully against the productiveness of the post-office.

Second. The franking of letters may have been extended too far,

Third. Ship letters may not have been properly attended to.

Fourth. The rate of postage may have been too high in some instances, and too low in others.

Fifth. Stage drivers and private post riders may have been the carriers of many letters which ought to have gone in the mail.

Sixth. The post-masters may have consulted their own interest in preference to that of the public.

Remedies may be applied to all these cases except the first.

With respect to that article, I have no documents on which to found an opinion that may be relied on.

The amount of revenue will undoubtedly be considerable, if the department is well regulated. If we should form an opinion from a comparative view of the wealth, numbers, and revenue of the post-offices of other countries, it would be, that the post-office of the United States ought to bring in annually nearly half a million of dollars, under similar regulations ; whereas the gross receipts in any one year have not exceeded thirty-five thousand dollars, and for the two last years have been at about twenty-five thousand dollars a year.

The revenue of the post-office, at present, arises principally from letters passing from one sea-port to another, and this source will be constantly increasing.

If we average the postage paid on letters at five cents ; five hundred thousand letters would produce the sum that now arises from the post-office annually.

A revenue of five hundred thousand dollars would require ten millions, at five cents ; five millions at ten cents, and three millions and one third at fifteen cents ; which last rate is probably nearer the true average than either of the other sums.

If there be one hundred thousand persons that write in the course of a year, each of them thirty letters, it will nearly make the number, or twenty-five thousand that write severally one hundred and twenty letters.

Foreign letters should also be taken into the computation

which are very numerous, and in other countries are subjected to a heavy rate of postage.

If however we should place the nett revenue at one hundred thousand dollars, even this sum must be an object of great importance to the treasury of the United States. But it will require some time to get a system into operation so as to produce it.

Unless a more energetic system is established than the present one, there will be no surplus revenue that will be worth calculating upon.

The great extent of territory over which three millions of people are settled, occasions a great expence in transporting the mail; and it will be found impracticable to accommodate all that wish to be accommodated unless a great proportion of the revenue is given up for this object.

The applications for new post-offices, and new post roads, are numerous; cross roads must be established, and of very considerable extent, in order to open a communication with the treasury and the revenue officers.

On franked letters I have to observe, that the accounts have not been so kept in the post-offices as that we can ascertain what the amount would be, if they were charged with the usual rates of postage.

News papers which have hitherto passed free of postage, circulate extensively through the post-offices; one or two cents upon each would probably amount to as much as the expences of transporting the mail.

The third article, if properly regulated, would be a source of great revenue; if the postage could be collected, the present rates could not produce a revenue much short of fifty thousand dollars a year. But upon the construction that has heretofore been put upon the ordinance of congress, ship letters have operated as a clear loss to the revenue.

The clause of the ordinance is as follows, "for any distance not exceeding sixty miles, one penny weight eight grains; upwards of sixty miles, and not exceeding one hundred miles, two penny weight, and so on; and for all single letters to and from Europe, by the packet, or dispatch vessel, four penny weight; and to the foregoing rates shall be added a sum not exceeding four nine-tieths of a dollar upon any letter, packet or dispatch which shall come into the post-office from beyond sea, by any other conveyance than by packet, or dispatch vessel."

The meaning of this clause, as it relates to ship letters, appears to be plain. Packet or dispatch vessel, can in-

tend none other than American. All letters coming into the post-office from beyond sea, by other conveyance than American packets, should be charged with the four penny weight, equal to twenty ninetieths, and the additional sum of four ninetieths, making twenty-four ninetieths. And if such letters are forwarded by land through the post-offices, the usual rates for travelling letters should be charged over and above the twenty-four ninetieths. The rates correspond nearly with the British rates, for the like kind of letters. But whether so high a rate of postage ought to be put on letters that come by French or British packets, is a matter that is questioned by many.

The practice has been to charge two ninetieths on ship letters delivered out at the same place where they were first received, and four ninetieths in addition to the fixed rate of travelling letters, on those forwarded to other places, if they came from beyond sea by any other conveyance than *French or British packets*. The two ninetieths has been considered as a perquisite to the post-master; the general post-office has not been credited with it. And as the post-masters are authorized to pay one ninetieth a letter, to the captains or masters of vessels bringing the same, they take credit to themselves for the one ninetieth in their account current with the general post-office. In one of the post-offices this one ninetieth has amounted to one hundred and sixty dollars a year, and consequently the twenty-four ninetieths, if it had been charged, would have amounted to three thousand eight hundred and forty dollars a year.

The late post-master at this place, had, as perquisites over and above his commission of twenty per cent. more than all the money that arose from ship letters, and one hundred and twenty pounds a year for his trouble, with respect to French and British packets.

The foregoing rates of postage were reduced twenty-five per cent. by an act of congress of the 1787.

On the fourth article, I will give my reasons for apprehending that the rates of postage are in some instances too high.

Wherever congress may hold their sessions, it will be considered as the center of the United States, and will necessarily occasion a great deal of letter writing to that place. The extremes are, in my opinion, entitled to an

easy and cheap access to that place through the post-office. Their comparative advantages derived from the general government, are smaller than those of the more central, and ought not to be diminished by the heavy rates of postage that now exist. The postage of a single letter from Georgia, or rather Savannah, to New-York, is thirty-three ninetieths of a dollar, which amounts almost to a prohibition of communication through the post-office. If it should be reduced to about sixteen cents, the revenue would not probably be injured by it.

So far as I have been able to collect the opinions of others relative to the fifth article, the injury the general revenue has sustained in this way, is greater than I had expected; perhaps no complete remedy can be devised for this evil, yet it may undoubtedly be remedied in a great measure.

In the present manner of contracting to carry the mail, especially by stage carriages, the contractors labor under disadvantages, on account of the shortness of the time.—One of them has property to the amount of nearly twenty thousand dollars employed in the transportation of the mail. Whenever they undertake to carry it one or two hundred miles, it costs them several thousand dollars for horses and carriages. This property sinks considerable in his hands, if he fails to contract the next year: Many of them urge this contingency as a reason for a higher charge. The advertising for proposals for carrying the mail, places the post-master-general in a disagreeable predicament, for many poor people make proposals at so low a rate, that it is obvious the business cannot be done as it ought to be, and consequently there cannot be a strict adherence to the lowest proposals: Discretion must be used, and the contract must be given to him who will most probably perform the duty with punctuality. A few failures in a year, injure the general post-office more than the public can be benefited by the recovery of the penalties in the contractors bonds.

Whether it will not be proper to give the contractors, that carry the mail by stage carriages, the exclusive privilege of driving stages on the post roads, is submitted for consideration.

There are at this time, about twenty different contracts for carrying the mail, which has a greater tendency to

put the business into confusion than I apprehended : Every contractor consults his own interest, as to the days and hours of arrival, and departure of the mail, without having a due regard to the necessary connection of the post-office. A regular system of days and hours of departure has never been established further southward than Alexandria.

The contracts for carrying the mail to the southward of New-York the ensuing year, amount to	<i>Dols. Cts.</i> 14,973.75
--	--------------------------------

And to the eastward of the same place to	6,003.15
--	----------

20,977.

With the exclusive privilege of driving stages, and the contracts being for a greater length of time, this sum would probably be sufficient to induce men of property to come forward, when character and reputation would be the best kind of security for the post-office. It is so necessary to establish regularity, in order to promote a well founded confidence in the post-office, which I think can hardly be effected upon the present mode of contracting, that if a different one should eventually cost something more, yet the department would be benefited by it.

It is not difficult to ascertain what ought to be given for carrying the mail a mile; if the legislature should fix the sum, it would then be the duty of the post-master-general to find out such as he could place the most confidence in, to execute the business well. This method has always been practised in England, so far as I understand the regulations of the post-office there.

On the sixth article it may be observed, that very small advantages taken by those concerned in the receipt of postage, will, in a year, amount to a great sum. In some instances these may be justifiable, for example; the postage of a single letter from New-York to Philadelphia, is one penny weight eight grains, or six-pence two thirds Pennsylvania currency. This cannot be made out in any pieces of coin current in the United States. The letter is charged with seven pence, which is right, for if there must be a fraction, it ought always to be taken in favor of the post-office.

This, however, may be remedied in two ways; the one is to make the rates of postage to be received in each state con-

formable to the currency thereof. The other is for the United States to coin pieces that might correspond with the rates of postage.

The dead letters may afford an opportunity for defrauding the revenue; but if the deputies accounts are properly examined in the general post-office, many evils that might otherwise exist, will naturally vanish.

With respect to the present ordinance regulating the post-office, I beg leave to suggest the propriety of sundry alterations and additions.

If the views of the legislature should be to raise a revenue from the post-office, the defects of the present system are many, and may easily be pointed out. But if there should be no such views, yet for the purpose of establishing more security in the department, sundry alterations will be found essentially necessary.

The two following articles operate most powerfully against the productiveness of the post-office at present.

Any person may receive, carry and deliver inland letters, and is subject to no penalty, if it be done without hire or reward.

The following alterations appear to me to be necessary for greater security in the post-office, whether revenue be or be not an object.

A more accurate description of offences and frauds that may be committed by any person employed in any way or manner whatever in the department; and the establishment of penalties proportioned to the injuries that may happen from the committing such offences, or being guilty of such frauds.

Those that will naturally present themselves first, will be such as may be committed by the post-master-general, and those employed in his office.

And such as may be committed by the contractors for carrying the mail, and by their agents and servants.

Many offences may probably be pointed out, that have never been committed in the United States: But the opportunity to commit them is great, and when committed, the injury may be irreparable, as property to a very great amount is frequently entrusted in the mail.

It therefore appears to me, that it will be only exercising a due degree of caution, to guard against them by defining the crimes and affixing to the commission of them, such penalties as will be most likely to deter from and prevent the actual commission of them.

The duties of the post-master-general are at present to keep an office in the place where congress may hold their sessions. To obey such orders and instructions as he may from time to time receive from the president of the United States. To appoint deputy post-masters, and instruct them in their duty in conformity to the acts of congress. To receive and examine their accounts and vouchers, and draw out of their hands quarterly, the balances due to the United States. To render to the treasury, annually, an account of the receipts and expenditures, for examination and allowance, and to pay over the surplus monies. To provide by contract and otherwise for carrying the mail; and to pay the necessary expences thereof. To establish and open new post-offices, and new post roads, whenever and wherever they may be found necessary, within certain limits marked out by the acts of congress. And in general to superintend the department, and to be accountable for it, in the various duties assigned to it, except the carrying of the mail.

On any breach of oath, on due conviction, he forfeits one thousand dollars.

With respect to the accountability of the post-master-general, I beg leave to observe that no man can, however sagacious and cautious he may be in his appointments, without subjecting himself to certain loss, be responsible for the conduct of his deputies. The calculation of loss being certain in case of responsibility, if he has not a salary sufficient to compensate such loss, he must, to save himself, transact the business, and keep the accounts in a manner, that the treasury shall not be able to charge him with any more money than he chuses to be charged with; or he may endeavor to transact the business fairly, and hold the office until he finds he cannot preserve his reputation and credit, and then, if he is an honest man, he will resign.

The number of times the mail shall be carried weekly, the advertising for proposals for carrying the mail, and the establishing of new post-offices and new post-roads, appear to me to be matters that should be left in the direction of the supreme executive. Very great embarrassments ensue, when business is pointed out in detail, and there is no power at hand that can alter the same, however necessary it may be to alter it.

The post-master-general should be subjected to suitable penalties, in case he neglects or refuses to render true and

just accounts of the receipts and expenditures, and to pay over the monies to the treasury, that may be over and above the annual expenditures, at such periods as may be required.

It may be a question, whether the post-master-general should keep an office separate from one in which common and ordinary business is done. There may be some reasons why he should not have a separate office. Irregularities and interruptions of communications will happen, and those who have the receiving and delivering of the mail, are most likely to be acquainted seasonably with them.

When the post-master-general keeps a separate office, many things that he ought to be acquainted with may entirely escape his notice.

I found the general post-office not blended with one in which common and ordinary business was transacted, and it remains in the same situation.

The prohibition at present against receiving and carrying letters, extends to such only as do it for hire or reward; but it ought to extend to all who receive and carry letters whether with or without reward; and penalties should be annexed to enforce an observance of it. Some few exceptions may be found necessary, where masters of vessels carry letters respecting the merchandises under their immediate care; and letters sent by a special messenger, by a friend, or by a common known carrier of goods.

Regulations may probably be found necessary respecting bye or way-letters; embezzling or destroying letters, on which the postage has been paid; detaining or opening letters; secreting, embezzling and stealing any valuable papers out of any letters; against the carriers of the mail in case they neglect or desert it; to oblige the ferrymen to set the mail across in all possible cases in a given time; to recover debts due to and from the deputy post-masters in a summary way.

These are some of the principal alterations that have occurred to me, as being necessary to be introduced into the regulations of the post-office, and no doubt many others may suggest themselves to the wisdom of the legislature.

With respect to appropriating to a particular object any supposed surplus of revenue that may arise in the

department, I beg leave to observe, that it will undoubtedly tend to awaken the attention of the citizens to the department, if a certain sum should be required to be paid quarterly, or semi-annually, into the treasury, and be appropriated to the payment of the interest of the domestic debt, as far as it might go.

This might interest a powerful body of citizens in attending to the operations of the department, and would probably have a greater tendency to keep the post-masters strictly to their duty, if any should be otherwise disposed, than any authority with which the post-master-general might be clothed.

I have enclosed the form of an act, or rather such principles as appear to me proper to be introduced into the arrangement of the post-office, which will tend more fully than the foregoing observations to explain my views of the alterations that are necessary.

I am, sir, with esteem,

your most obedient

humble servant,

SAMUEL OSGOOD.

The hon. ALEXANDER HAMILTON, esq.

Secretary of the Treasury.

The house having now gone through the report, the clerk was going on to read the bill which accompanied the same,

Mr. FITZSIMONS

Thought there was a degree of indelicacy, not to say impropriety, in permitting the heads of departments to bring bills before the house. He thought it was sufficient for them to make report of facts, with their opinions thereon, and leave the rest to the discretion of the legislature. It would certainly be time enough for them to report bills when they were desired to do it.

Mr. PAGE

Moved to refer the report of the post-master to a select committee; but he was perfectly of opinion with the gentleman from Pennsylvania, that no bill ought to be read in the house, that did not originate with its leave.

The motion for referring the report to a select committee was carried, and messrs. Fitzsimons, Gerry, Sinnickson, Parker, and Stone, were appointed.

Mr. SHERMAN,

From the committee of conference on the unfinished business, reported, that the committee had agreed that the unfinished business of the last session, that had passed from the

one house to the other, ought to be regarded as if it had not been passed upon by either.

On motion of mr. Thatcher, the petition of Lemuel Miller was read a second time, as was the bill for making provision for persons employed in the intercourse between the United States and foreign nations.

The house then proceeded to the consideration of the report respecting the south-western frontiers and Indian affairs.

The gallery was hereupon ordered to be cleared.

JANUARY 25.

The petition of James Price was read, praying to receive compensation for supplies furnished the American army in Canada, during the last war.

Also the petition of Gabriel Allen, praying to receive loan-office certificates in lieu of some which he had lost.

A message from the president of the United States, by mr. secretary Lear, was received, and accompanied with the copy of the act of the legislature of Maryland, ratifying and adopting the amendments to the constitution of the United States, proposed by congress at the last session.

The house resolved itself into a committee of the whole, on the bill providing for the actual enumeration of the inhabitants of the United States.

Mr. BALDWIN in the chair.

Mr. MADISON

Observed that they had now an opportunity of obtaining the most useful information for those who should hereafter be called upon to legislate for their country if this bill was extended so as to embrace some other objects besides the bare enumeration of the inhabitants ; it would enable them to adapt the public measures to the particular circumstances of the community. In order to know the various interests of the United States, it was necessary that the description of the several classes into which the community was divided, should be accurately known ; on this knowledge the legislature might proceed to make a proper provision for the agricultural, commercial and manufacturing interests, but without it they could never make their provisions in due proportion.

This kind of information, he observed, all legislatures had wished for ; but this kind of information had never been obtained in any country. He wished, therefore, to avail himself of the present opportunity of accomplishing so valuable a purpose. If the plan was pursued in taking every future census, it would give them an opportunity of

marking the progress of the society, and distinguishing the growth of every interest. This would furnish ground for many useful calculations, and at the same time answer the purpose of a check on the officers who were employed to make the enumeration, forasmuch as the aggregate number was divided into parts, any imposition might be discovered with proportionable ease. If these ideas met the approbation of the house, he hoped they would pass over the schedule in the second clause of the bill, and he would endeavor to prepare something to accomplish this object.

The committee hereupon agreed to pass over the part of the bill alluded to.

Mr. LIVERMORE

Moved to amend the last clause of the bill, by striking out all that related to the mode of compensating the marshal and his assistants, which were specified sums, proportioned to the service, and to substitute a provision, authorising the marshal, or his assistants, to receive from every male white inhabitant, above the age of 21, five cents, and of the owner of every male slave, of like age, three cents; reserving, for his own use, four cents out of every five, and paying the other one cent to the marshal. He thought this was an equitable tax, agreeable to the spirit of the constitution; that it might be collected with safety and satisfaction; while, on the other hand, the mode proposed in the bill would be extremely inconvenient; it would draw a very considerable sum out of the treasury, which their present situation did not enable them to spare.

On the question, this motion was lost.

The committee then, after making some small amendments, rose and reported progress.

A message was received from the senate, informing that they had adopted the report of the joint committee on the unfinished business, and requesting the concurrence of the house.

A motion was made to concur.

Mr. HARTLEY

Said, that the other day he had laid a motion on the table, relative to this subject, and which he expected might have decided it. He had then given his opinion, that the unfinished business of the last session ought to progress from the stage in which it was left at the adjournment; since that time he had had the honor of being appointed on the part of the house, a member of a committee of conference on the same question; but after hearing all that could be urged in favor of commencing the business *de novo*, he still retain-

ed his former sentiments, nor should he alter them unless some stronger arguments were adduced in support of the contrary doctrine. He would, on this occasion, trouble the house no further than just to express his idea of the difference between an adjournment and prorogation ; for it was upon their similitude that gentlemen founded their idea of commencing business *de novo*. A prorogation of parliament was the act of the first magistrate in Great-Britain, and by that act he dismisses all the business before parliament ; by an adjournment, which is the act of the legislature, all the business remains in their possession ; if they remain possessed of the business, they have a right, and they ought to take it up in the state in which it was at the time of adjournment : This continuance of business, is much more beneficial to the commonwealth by expediting causes, by saving time, and consequently diminishing the expence. But even upon a prorogation of parliament, the houses have asserted their right to continue their bills in the state in which they were left.

He did not think it was necessary to detain the house long upon this subject. He supposed that most of the gentlemen had made up their minds, and that a long investigation would not produce a single convert : For his part, he was opposed to the motion, and would vote against it.

Mr. JACKSON

Said, that on the conference, there was a majority of the committees of both houses in favor of the report. After a long and full discussion, that it appeared to them necessary that the business should be taken up *de novo*, because circumstances might occur during a recess, which would convince the house of the impropriety of a measure they had contemplated at their last session ; an adjournment, therefore, amounts to the same thing as a prorogation. The opportunity the recess afforded them of consulting their constituents was the same in either case, and enabled them to form a more certain opinion with respect to the propriety of their measures, than any other thing could possibly do. Ought the legislature then to be compelled to proceed with business they were certain was altogether impolitic and improper.

Mr. WHITE

Would not enter into a discussion of the subject, but he was satisfied that the decision was right, in order to prevent

very great inconveniencies; it never was a question with him, whether business should cease on an adjournment; he had always seen it practised in the legislatures he had had the honor of serving in, and he always expected it would be so determined in every public body, regardful of the opinions of their fellow citizens.

Mr. HARTLEY

Denied that there was any similitude between a prorogation and an adjournment; the one was the will of the body upon which it acted, the other was an exterior force, which compelled submission. No gentleman could suppose that the legislature of the United States was obliged to forego the business they had proceeded upon at the last session, nothing was to determine them but their own inclination. Now, as he was satisfied it was more beneficial to the people, and more convenient to the legislature to proceed with the business of the former session, he should be against the report.

The question on concurring with the senate, was put, and carried in the affirmative, 30 in favor, and 21 against it.

Mr. SMITH then laid the following on the table.

Resolved, That it be established as a standing rule of the house, that every future adjournment of congress, for more than _____ days, shall be considered as a termination of the session, and that at the next meeting the business depending at the time of such adjournment shall be taken up, unless it be commenced *de novo*.

Mr. BURKE

Said there was a bill of some consequence brought forward last session, which had been left in an unfinished state; and as the house seem inclined to direct all such business to commence anew, he would beg leave to call upon them to appoint a committee for the purpose of securing literary property: He said that such a bill was very much wanted, as several gentlemen had already published the fruits of their industry and application, and were every hour in danger of having them surreptitiously printed. He believed this was no unfounded surmise, for he had been informed that it had taken place in some instances already, he would mention one of them. Mr. Morse had published an American geography, illustrated with two sheet maps of the southern and northern states, these had been surreptitiously copied, and annexed to another publication, since the business was brought before the house at the last session; and the same gentleman was

under apprehension that the whole work would be re-printed without his consent, unless a law was speedily passed to secure to him his copy right.

Mr. WHITE

Wished the gentleman would extend his motion to embrace the other objects intended to be provided for by the bill brought before the house at the last session.

Mr. BURKE

Said that he meant to provide for that in another resolution. He wished the first to be done immediately, and a short bill would be sufficient for the purpose, because, it was almost as easy to ascertain literary as any other kind of property; whereas there was some difficulty in deciding upon improvements or inventions in the useful arts; this latter object he apprehended would occasion a good deal of discussion.

On the question, mr. Burke's motion was adopted, and a committee appointed, consisting of messrs. Burke, Huntington and Cadwallader.

The same committee was also ordered to bring in a bill to promote the progress of useful arts, by securing to inventors the exclusive right of their discoveries. Adjourned.

JANUARY 26.

The petition of Lucas Lincoln, praying a compensation for his services rendered during the late war, was presented and read. As was the petition from the inhabitants of the town of Portland, praying an alteration in the revenue law.

The house then went into a committee of the whole, for adapting the laws of the United States, to the present state of North-Carolina; and after some time spent therein, they rose, and reported the bill, with amendments, which were agreed to by the house, and the bill was ordered to be engrossed.

The naturalization bill was read a second time, and ordered to be referred to a committee of the whole house.

On motion of mr. Ames, the memorial of James Price, was read a second time, and moved to be referred to the secretary of the treasury.

Mr. FITZSIMONS wished it to be referred to a select committee, instead of the secretary of the treasury.

On the question, the motion for referring it to a special committee obtained, and messrs. Ames, Fitzsimons, and Boudinot were appointed.

The house then went into a committee of the whole, on

the bill to provide for the actual enumeration of the inhabitants of the United States.

Mr. MADISON

Proposed a more general schedule in lieu of that mentioned in the bill, which was agreed to ; when after some further time spent in considering the bill, the committee rose and reported, and the whole was recommitted to the select committee, with the addition of Mr. Madison.

Mr. AMES,

From the committee to whom was referred the report of the secretary of the treasury on the petition of C. Sadler, reported, that provision ought to be made for the remission or mitigation of fines, penalties and forfeitures, in certain cases. This report being agreed to, it was referred to the same committee to bring in a bill accordingly.

Mr. AMES then presented the draft of a bill conformably to that order of the house.

The order of the day being called for, the house resolved itself into a committee of the whole on the bill to provide for the means of intercourse between the United States and foreign nations.

This bill authorises the president to draw for a sum not exceeding 40,000 dollars, to compensate the services of such officers as shall be sent abroad.

Mr. LIVERMORE moved to make this an annual appropriation, which he supposed was the intention of the committee who brought in the bill.

Mr. Livermore's amendment was adopted.

Mr. LEE

Said, that as the constitution had vested in the president, with the advice and consent of the senate, the power of appointing ambassadors and other public ministers, he thought they ought to be equally interested in proportioning the salaries ; and further, the president ought not to be empowered to draw money for those purposes without their advice and consent, he thought it would be well to determine, whether the constitution did not bind them to adopt this idea ; and, in order to obtain the sense of the house on it, he would move to amend the clause by inserting the words, " by and with the consent of the senate," after the word " president."

Mr. SMITH (S. C.)

It appears very clear from the constitution, that the

senate is connected with the president, in the appointment of the officers noticed in this bill; but yet I do not presume that it follows as a matter of course, that they should be connected in apportioning the salaries, or drawing for the money. If it is not enjoined by the constitution, it will be wrong to make such an arrangement, because it will diminish the responsibility of the executive officer; it may also open a door for cabal, if at any time the friends of the senators are employed on such a mission. If the constitution is silent on this head, and I presume it is, the principle of expediency will never lead us to this amendment. But do gentlemen suppose, that they will acquire a greater degree of security? I apprehend this will not be the case; the president is as nearly related to the people as the senate are, he will be equally careful of their interests, and he is not, from his situation, so exposed to the effects of an intriguing cabal as they are. Hence, I presume, the point of security is equally against the motion.

Mr. STONE.

If we adopt the ideas of the committee, and give to any body a discretionary power of disposing of the public money, it should be given to the president, by and with the consent of the senate; because the constitution has vested them with equal authority in every transaction relative to this business. If you give an influence to the president superior to the senate, in any thing relating to the intercourse between the United States and foreign nations, you deviate from the principles of the constitution; if he is to form treaties, by and with the advice and consent of the senate, they ought to have an equal influence over the persons who are to conduct the negotiations. If you give equal power to A and B to transact your business, and they employ agents, but you give the means of payment exclusively to A, I leave it to any person of candor to say which of the two will have the most influence in conducting it. If he is also to have the power of giving a large or small salary, he will have five times the influence that the other will. From hence I infer, that if you give a discretionary power at all, you should give it equally to the persons who are to constitute your agents.

Mr. HUNTINGTON

Observed, that this subject had been discussed in the

committee, and it was determined to vest the discretionary power in the president alone, of drawing for the money as circumstances might require; because it might happen that the money might be wanting during the recess of the senate, and it would hardly be expedient to call them together for the purpose of making a draft upon the treasury for a small sum of money; it was also judged prudent to leave it at the discretion of the executive officer to apportion the salaries; because officers of equal rank might be well compensated with a less sum at some courts than at others: He apprehended no danger could arise, because the highest sum that could be given was proposed to be fixed by the law.

Mr. SEDGWICK.

As far as I was concerned in bringing forward this bill, two considerations influenced me not to concur in idea of the gentleman from Virginia, and they were these; one, arising from the consequences naturally attending such a combination of the departments of government; and the other, the responsibility, which we ought never to lose sight of when we are providing for the distribution of the public money.

The gentleman from Maryland (mr. Stone) has told us, that we give an unbounded influence to the executive officer, because we enable him to apportion the money among them: That gentleman, perhaps, did not attend to the bill which provides expressly for the several grades of officers which the constitution supposed, in the ordinary events, would be employed in the superintending the interests of the United States at foreign courts; if he had observed this, he would not suppose that the discretion of the president gave him an improper influence. These officers cannot be appointed to any situation, nor to any rank, but with the advice and consent of the senate, no particular character can be selected by the president; therefore, I presume, the senate have all the agency he wishes them to possess.

Mr. STONE

Understood that the president was at liberty to give any thing under 9,000 dollars to a minister plenipotentiary, or under 5,000 to a resident, or 3,000 to a chargé des affaires; if so, he was at liberty to pay them well or ill, as he should conceive they merited.

Mr. SEDGWICK.

When it is said that he shall not give a large sum to a minister of the first grade, I presume that the payment of that particular sum will generally take place; but there are other circumstances attending this business, which shews the propriety of vesting the discretionary power in the president alone: Suppose a minister actually appointed, and some incidental business should arise, as to occasion an actual expenditure of part of this money; for example, a minister at the court of Prussia might find it necessary to remove some obstructions to his negotiations, which have arisen at the court of Russia, he would be obliged to apply to the president, to authorise him to take measures for its prevention; but as money would be essentially necessary to effect the object, the president, though he approved of the idea of the minister, could do nothing without calling the senate together, if it happened to be a recess; the business would not progress without an expence of more than, perhaps, double the sum that was necessary. To provide for cases of this kind, was one of the objects the committee had in view; another was, that the person who touched the public money should be responsible for the expenditure; if the money is to be drawn by the president and senate, so diffuse is the responsibility, as to be considerably weakened, if not altogether destroyed: These were the considerations that operated conclusively with me, and determined my judgment in favor of the bill as it stands.

Mr. LAWRENCE

Said there was a constitutional necessity that the president, by and with the consent of the senate, should appoint all the officers employed in foreign negotiations; the same necessity existed with respect to making treaties; but he did not conceive there was any constitutional necessity of connecting the senate with the president in apportioning the salaries; it was altogether in the power of the legislature, they might apportion the salaries and fix them by law, if they thought it convenient, without encroaching upon the right of the president, or the president and senate. If they could apportion themselves, they might authorise another body to do it; for he presumed, that neither the president, or the president and senate, could contend for this power as a matter of right; the question then seemed to him to turn altogether upon

the expediency, which was conceded to be in favor of the manner prescribed in the bill.

He remarked, that the discretion of the president was confined within precise limits, he could not grant a larger salary to the officers than that prescribed in the bill; all that he could do was, therefore, to give less where he thought less would be sufficient, of which he conceived the president to be the proper judge.

Mr. STONE

Said that gentlemen had not replied to his observation, drawn from the constitution; he had contended that a discretionary power in the hands of the president, to give a greater or less salary, would give him a greater influence than what the constitution had contemplated. The constitution had given to the president the power of making treaties, but it must be done by and with the advice and consent of two-thirds of the senate. Do we then not depart from this principle, when we encrease the agency of the president? If it is not contrary to the letter of the constitution, I presume it is contrary to the principle of it, and we are bound to administer this system of government upon its real principles.

He believed that the president knew very well what would be a proper sum to give to every officer of the diplomatique corps, at all the courts of Europe; but it did not follow that the senate was without an equal knowledge; he would always attribute as much knowledge and integrity to that body as to the chief magistrate, and this he did upon the principle of the constitution, which supposed that there was equal safety, and equal propriety in authorising them to attend to such part of the public interest, as was connected with the appointment of their servants employed in the intercourse between the United States and foreign courts.

However, if this amendment was even made, he should be against the bill, for two reasons; one, because it vested a discretionary power in the disposal of public money; and the other, because it incurred a perpetual expence, which he hoped at some day would be found to be unnecessary.

Mr. LAWRENCE

Did not apprehend the president would derive any influence from the power of drawing for the money necessary to pay the officers their salaries: He supposed, how-

ever, that it would be proper to limit the bill; because the circumstances of the union might require a less sum, perhaps than what was contemplated at the present time.

Mr. STONE

Supposed on a variety of occasions, that the president may wish for one person, and the senate for another; if the person approved by the president is rejected by the senate, and their favorite employed, the president can make his situation so irksome, on account of his salary, and the manner of payment, as to induce him to a voluntary resignation; or if he continues in office, he must change his disposition and be subservient to the magistrate, who can render him more easy in his employment.— And, can gentlemen say that this is not an influence? Now, if it is admitted to be but the smallest degree of influence, it is contrary to the principles of the constitution, which interests the senate equally with the president in the whole business of negotiation. It is not to be apprehended that any danger will arise, during the present administration, from a trust of this nature; but he was not willing to establish a precedent, which might operate hereafter, to warrant the executive in the exercise of an unconstitutional power.

Mr. SHERMAN.

The establishment of every treaty requires the voice of the senate, as does the appointment of every officer for conducting the business; these two objects are expressly provided for in the constitution, and they lead me to believe, that the two bodies ought to act jointly in every transaction which respects the business of negotiation with foreign powers. But the bill provides for the president to do it alone, which is evidently a deviation from the apparent principle of the constitution. And what do gentlemen urge as an argument to induce the committee to adopt their idea? Why, that the singleness of the officer, who appropriates and disburses the public money, will ensure a higher degree of responsibility than the mode recommended (at least by inference) by the constitution. This argument would extend to prove, that a single person ought to exercise the powers of this house, consequently it goes too far. There is something more required than responsibility in conducting treaties. The constitution contemplates the united wisdom of the president and the senate, in order to make

treaties for the benefit of the United States : The more wisdom there is employed, the greater security there is that the public business will be well done. As to the circumstance of drawing money out of the treasury, it is of little consequence ; but if a discretionary power is to be exercised in apportioning the salaries of the ministers, there will be more security in connecting the senate with the president.

Mr. SMITH (S. C.)

Gentlemen seem to confine their views to ministers employed in making treaties ; but this, sir, is not all that the bill refers to. Many officers may be established in the diplomatique line, without being concerned in making treaties : A minister may reside twenty years in France without being employed in the formation of any treaty whatever. A treaty may be negotiated without the intervention of any person in such a character ; or a person may be employed distinct from him, as was the case in the late commercial treaty between France and Great Britain.

If the constitution is involved in the present question, it is because the senate are connected with the president in appointing the officer : But this doctrine would extend too far. The senate are joined in the appointment of all superior officers ; it would then follow as a consequence, that they ought to be concerned in affixing the salaries of them ; it would apply, on the same principle, to the secretary of the treasury, and every other of the heads of departments, except the judges ; it would not extend to them, only because it requires that their salaries shall be permanent.

Another inconvenience would result :—A senator might be sent on an embassy, and being, from his situation in that body, in habits of intimacy with all the members of it, there would be danger of an improper allowance being granted to him. These objections, beside the probability of the president's being obliged to take some steps in the business during the recess of the senate, shew the necessity of vesting this discretionary power in the president alone, where gentlemen admit there is the greatest degree of responsibility. But the constitution does not appear to trust that equal confidence in the senate, for it gives the president the first and greatest influence ; it is he who is to nominate the person, and the

concurrence of the senate may be generally expected to follow as a matter of course; after giving to him this influence, little danger can be supposed to arise from vesting in him a discretionary power, which is absolutely necessary, and for the proper exercise of which he is highly responsible.

Mr. SCOTT

Thought this measure appeared like an expedient they were falling into the use of for want of information;—the very preamble which the committee had affixed to the bill warranted the idea: But he not only doubted the propriety of the expedient, but also whether the committee had a right to adopt it. He thought, however, it was a question well worthy of discussion, whether this house was well warranted to commit the appropriation of the money of the people of the United States to any particular body, whether it was the president alone, or the president and senate combined? He thought, from the first view of the subject, that the voice of this house ought to be given to the disposition of every sum that goes out of the treasury, and consequently he objected to the principle of the bill, and should vote against it, with or without the amendment. But if the bill must pass in its present form, if the apportionment of the several salaries was so great a secret as to elude the search of the house, and their information must continue in its present incomplete state, he should vote for that mode which appeared to give the greatest security; but he could not help believing the house was adequate to forming a complete provision on this head: He did not see what was to prevent them from running the routine of every court in Europe, and apportioning, as they proceeded, the salaries of every grade of officers in the corps diplomatique, provided a different sum was necessary to be paid ministers of equal rank at the courts of France, Britain and Genoa. He just mentioned his objection to the committee to prepare them for a motion he intended to make when the speaker resumed the chair, that was to recommit the bill to the select committee, in order to make special provision therein.

Mr. MADISON

Remarked, that the amendment offered by his colleague (mr. Lee) would not decide the question it was intended; because the part of the bill into which he mo-

ved to have it inserted, only related to the power of the president to draw for the money, which was a thing totally distinct from apportionment, and which could be better performed by the president alone than connected with a large body.

Mr. LEE

Hereupon withdrew his motion, and having modified the whole clause of the bill, so as to embrace his question, "whether the advice and consent of the senate ought not to be had in the exercise of the discretionary power of apportioning the salaries?" proposed it in order to take the sense of the committee.

Mr. BENSON

Said it would be wrong to blend the senate with the president, in the exercise of an authority not jointly vested in them by the constitution; and in any business whatever of an executive nature, they had no right to do it any more than they had a right to associate a committee of this house with him. Now, he had not yet heard any gentleman say the constitution expressly commanded the association moved for, and unless it was a command, he presumed they were not disposed to conform to it.

Mr. LEE

Informed the committee his motion was likewise intended to strike out the provision for contingent expences; not that he thought them disallowable, but because he wished for a general bill, providing for all the contingents of the government.

Mr. SEDGWICK

Was as much opposed to the amendment in this form as any other: He would ever be in favor of singleness in the executive, but especially when it was proposed to join with it a body that existed for ever, for this was his idea of the senate; a body in which every member, from their long adherence thereto, learned to understand each other, and might, on any occasion, impede the progress of the other branch of the government to the injury of the whole.

Mr. LEE

Said these ministers were the joint servants of the president and senate, and therefore ought to be equally under their care; they had a joint agency throughout, and therefore they ought to have the same in apportioning the compensation for the services.

Mr. LIVERMORE

Deemed the question of some importance, and therefore wished for time to consider it more fully : In order to obtain this, he moved the committee to rise, and report progress.

This motion obtained, and the house adjourned.

Y A N U A R Y 27.

The bill for giving effect to the laws of the United States therein mentioned, in respect to North-Carolina, was brought in, engrossed, read the third time, and passed.

The bill for the remission and mitigation of fines, penalties, and forfeitures, was read a second time.

The house then went into a committee of the whole on the bill providing compensation for persons employed in the intercourse between the United States and foreign nations..

Mr. JACKSON.

The question before us, mr. speaker, I presume, turns upon the propriety or impropriety of trusting the president alone, or the president and senate, with a discretion in the disposition of the public money : Which ever of these it is given to, will be a matter of indifference to me ; but I am clear we have the power to give it to whom we please, we may even give it to a committee of this house if we deem it expedient. But I am inclined to give it to neither. The appropriation of public money belongs in a peculiar manner to this house, and I am for retaining the power in our own hands. It was objected to this, that it would take up time ; but I ask, what we were sent here for but to watch over the public treasure ? Gentlemen have said that the president and senate ought to have a discretionary power in allowing salaries to our ministers abroad, because they are best informed what will be a proper compensation for the service, which they have an exclusive right to order to be performed. I beg these gentlemen to look at the law passed last session providing for commissioners, which commissioners, by the by, were to all intents and purposes officers of the diplomatic corp. Did this house view themselves as inadequate to say what would be a proper compensation for any gentleman the president might employ ? No, sir ; this house annexed a daily pay to the office, sufficient to procure good men ; why cannot the same be done at this time ? Did the late congress ever think of vesting such a discretionary power in their president ? Certainly they did not : On what principle then is it contended, that we should vest a discretionary power in an individual ? Is it because it will take

up our time ? That is a poor excuse : Is it out of our power to learn what is sufficient to maintain a minister at Paris, Madrid, Amsterdam or London, or to discriminate between them and Genoa ? If we are not possessed of full information on this head, cannot we acquire it of the proper officer ? Will not the records of the late congress illucidate the subject ? Is it not fair to suppose, that what was sufficient under them three or four years ago, will be sufficient now, or if a difference is necessary we can judge thereof as well as another ? But any how, sir, I am clear for keeping the power of disbursing the public money in our own hands ; if we adopt this bill now, on some future occasion we shall have to go further ; and the principle that one is more responsible than many, will lead us to establish an arbitrary government.

MR. BOUDINOT

Conceived that this difference of opinion rose from not attending fully to the subject matter of the bill on the table. Gentlemen seemed to argue, that a discretionary power, with respect to the disbursement of the money, granted in the bill, ought not to be vested in the president alone, because the senate were connected with him in appointing the ministers among whom it was to be distributed ; now this objection, he thought, had been fully answered, therefore he should make no further observations thereon. But the gentleman last up opposed this discretionary power altogether, whether vested in the president alone, or the president in conjunction with the senate, because he supposes the house is competent to decide ; now, I conceive we are so circumstanced as not to be able to ascertain the proper sum required by every diplomatique officer who may be sent to the various courts of Europe, and other quarters of the globe. Now, what power do we propose to vest in the president ? Not that of giving away the public money in such a manner as he may please, but that for certain services he shall give a sum not exceeding a fixed amount ; if he can get the business done for less than we suppose it deserves, it is a proper caution that we use to enable somebody to reduce it ; and who is so proper as the president.

The gentleman says we should fix the salaries of ministers at the different courts ; I much question the propriety of making such discrimination in a public act, I had rather refer it to the executive magistrate, under such restrictions and limitations as are provided in the bill.

Mr. SCOTT.

The subject in dispute I view but as a secondary consideration, mr. chairman. I think we ought first to determine upon the principle, whether a discretion can be given at all. This was the idea I suggested yesterday, and which has been again brought forward by the gentleman from Georgia: Now, to decide this question, we ought to enquire whether this power is of an executive or legislative nature? I think disposing of, or giving away sums of public money, is a legislative, not an executive act; and cannot be performed in any other way than with all the formalities of legislative authority. This being my conception of the business, I shall take no notice of the propriety of giving it to the president, or to the president and senate, because the same objection lies against both; it would be improper to give it to either, because we have not authority so to do; it being a legislative transaction, we cannot put the part which depends upon us off our own shoulders, or on the shoulders of any other.

It has been said we cannot fix the necessary sum for each, without making invidious distinctions between foreign nations. If that argument amounts to any thing, it amounts to this, that all officers who are sent abroad, must have an equal compensation, for if a discrimination is made in any manner, it amounts to a distinction, and must be invidious. But I cannot see a distinction in this light; we may have occasion for officers who have little to do; and it cannot be thought invidious that we do not pay them as much for doing less business, as we do others for doing more, or who are put to greater expences in performing their duties.

It is said that the proposition does not amount to an absolute appropriation by the president; but I differ from this opinion, and think that the power of reducing a certain sum, enables him to fix the sum as much as if it had been in his discretion to raise it. It is in either case doing a complete legislative act, which the constitution has in part assigned to this house, and which we cannot dispose of to any man or body of men.

If the committee join with me in this sentiment, they will concur in the rising of the committee, in order to have the bill recommitted to a select committee, to bring it in upon different principles.

Mr. SEDGWICK

Would have no objection to go through and fix the salaries in the manner some gentlemen wished; but he feared the house had not sufficient information for that purpose;

but then, in the opinion of the gentleman last up, they were obliged to do it in this way. Now, he did not believe such a necessity existed, because he was satisfied from the constitution, and the construction put upon it by the house at the last session, that it was in the power of the legislature to vest a discretionary authority in any proper body to dispose of specified sums for specific articles. How else could the business of the quarter-masters or commissaries departments be performed, when such business was required? But, though he did not approve of the gentleman's reasoning, he would vote for the rising of the committee, because he did not think they had sufficient information before them to warrant a decision.

Mr. SMITH.

If the doctrine of the gentlemen is true, it was flagrantly violated at the last session, and that by the very act referred to by the gentleman from Georgia. He observed, that we fixed the pay of the commissioners who were sent to treat with the Creek Indians, at 8 dollars per day, true, sir; but we did not limit the whole sum that should be given them; they were employed for a term in the discretion of the president: But beside, we appropriated 40,000 dollars to be expended in the business of Indian treaties, and that at discretion. The senate, to be sure, reduced this sum to 20,000, which the house ultimately agreed to; but in the first instance, we agreed to appropriate 40,000; we certainly did not think we acted unconstitutionally at that time; and yet, all that we directed the expenditure of, was but a seventh or eighth part of the amount.

From some papers before this house, but which it may be improper to notice very particularly, we find that instructions have been signed by the president alone, and he it was who drew the money for certain uses out of the treasury: This is a precedent in favor of the bill as it now stands. The case referred to, respecting the practice of the late congress, is not at all in point; the late congress were invested with both legislative and executive powers; it was therefore they, and they only, who could accomplish the whole business.

Mr. JACKSON

Denied having said that congress had not power to vest the president with a discretionary authority in the case now before the house: On the contrary, he said, they could lodge it with him, or with the senate and him combined; or if they deemed it judicious, with a committee of this house.

This was not the ground on which he rested his argument ; he contended for the propriety of keeping the power of paying all the officers of the government in their own hands. When it was not practicable to do so, then would be time enough to grant a discretionary power to the president.— Though the gentleman from Pennsylvania had carried his idea further, yet he would second his motion for the rising of the committee.

Mr. LAWRENCE

Hoped the committee would not rise for the purpose of recommitting the bill, unless they fixed upon the principles to guide the select committee in making alterations. He thought if the house attempted to fix the salaries, in the particular manner mentioned by the gentleman from Georgia, they would run the risk of doing an act of injustice with one hand, or lavishing away the public money with the other. He should therefore be against a measure which exposed them to so much danger. But the question of connecting the senate with the president was more simple, and could be decided on the principle of expediency ; for it appeared to be conceded, that the constitution was not involved in the determination on this occasion, any more than it was at the last session, when the several heads of departments were authorised to employ clerks, at a rate *not exceeding* 500 dollars per annum. He therefore hoped the gentleman who moved the rising of the committee, would withdraw that motion until this question was determined.

Mr. BOUDINOT

Was against the committee's rising, because, if the ideas of the gentleman from Pennsylvania were in the bill, he should oppose them ; therefore, as he disapproved of the end, he would object to the means of bringing it about.

Mr. SCOTT.

It is said that my principle extends so far, that it would put it out of the power of congress to grant any sum of money, without a particular and specific appropriation ; but I believe the principle does not extend to this degree. I know occasions, at times when the legislature is not sitting, will present themselves, when money for secret services may be required ; yet, in these cases, proof must be made of the expences before they will be allowed in account, and any which are conceived to be improper, will be rejected.

With respect to the act passed last session, to enable the president to hold treaties with the Indians, there certainly

was 20,000 dollars granted, but that part intended for the pay of the officers was specially appropriated. The same is now contended for : If you send officers to Europe, let their salaries be ascertained, in justice both to the public and themselves.

As to the remark, that the number of days was not limited for which the commissioners were employed, I would just observe, that they might, upon that idea, have been kept in pay 7 years, or much longer than the money would last to pay them ; but in this case, the public would not be obliged to allow them a further sum, so that an argument of this kind proves too much, and therefore proves nothing.

It has been said that we run the risk of making an improper allowance—we may make it too small ; if that is the case, application can be made to the legislature, who, we are to trust, will always be ready to do justice to every one of their officers. We have seen such applications already, then why should we doubt their being made in future ? Upon the whole, my mind being convinced in the manner I have related, I cannot consent to withdraw my motion.— Other gentlemen may be convinced of the propriety of contrary principles, with intentions equally good, or perhaps better ; and be the event what it may, I am ready to submit to the decision of the house.

The question was now taken on the rising of the committee, and that being lost,

The question was put, on striking out of mr. Lee's amendment, the words " by and with the advice and consent of the senate ;" this was carried in the affirmative.

Then the question on the amendment, as amended, was put and lost.

Mr. LAWRENCE

Proposed a clause for limiting the duration of the bill ; this being agreed to, the committee rose and reported the bill, which was accepted by the house, as amended in committee, and the same was ordered to be engrossed.

The petition of Hannibal W. Dobbyn, was referred to the secretary of the treasury, for his information.

Mr. SHERMAN

Presented a petition from the president and fellows of Yale College, stating, that they had imported a philosophical apparatus, for the use of that college, the impost duties on which they had paid ; and praying the same to be returned ; suggesting, at the same time, to their consideration, the

propriety of freeing scientific instruments from any duty whatever.

Mr. AMES

Presented the petition of John Wait, praying to be reimbursed for several articles furnished the soldiers last war, with the approbation of officers commanding corps; and for which he was to have been paid out of the soldiers wages, but he was prevented from receiving it by their subsequent desertion.

Mr. SMITH called the attention of the house to his motion, relative to the unfinished business; but the usual time of adjournment having arrived, the house adjourned without coming to a determination.

JANUARY 28.

The bill for making compensation to persons employed in the intercourse between the United States and foreign nations, was brought in engrossed.

Mr. SHERMAN

Observed that, by this bill, 40,000 dollars was appropriated to uses which no gentleman pretended to know precisely; he thought the house not warranted in passing a bill, disposing of so large a sum, without fuller information than they were at present possessed of; he therefore moved to let it lie on the table.

This motion was put, and carried in the affirmative.

Mr. PARTRIDGE called for the second reading of John Wait's petition, presented yesterday, and moved to refer it to the secretary at war.

Mr. LIVERMORE thought it not a proper subject for legislative interference, as the man had his remedy at common law,

Mr. AMES

Wished the subject considered; observing this person had lost his property by trusting soldiers, who had deserted after running in his debt: But there was monies due from the public to such soldiers, for which the man had orders, certified by the officers commanding regiments. Now, he ought not to suffer for an act of kindness; and, perhaps, it was owing to the supplies he, from time to time, furnished these men with, that they did not desert at an earlier period. He moved to take up the subject in a committee of the whole.

Mr. LIVERMORE

Rather inclined to think, that the supplies furnished in this way, were the cause of desertion; for the soldiers, after having got all they could in one place, might be disposed to

try another; and perhaps these supplies afforded them the means of travelling.

The question, on referring it to a committee of the whole, was put and lost.

Mr. AMES thought the petitioner sustained sufficient hardship by the loss of his property; he therefore hoped that it might not be encreased by a condemnation without a hearing.

Mr. LAWRENCE

Conceived the public were not entitled to benefit themselves by their own wrong. Perhaps there were considerable sums due to these soldiers at the time of their desertion; and perhaps this circumstance was the sole cause why they left the army, for it is often the case that soldiers do desert when they are ill paid. This consideration had so much weight in his mind, that he was inclined to hear the petitioner, and to do him justice.

Mr. WADSWORTH

Said it was a constant practice in this country, and he believed in all others, that a soldier forfeited all his pay due at the time of his desertion. The sutlers, and all those who followed the army, know this circumstance well, and they supposed their profits enabled them to run the risk of all losses by desertion. The gentleman from New-York knew this was the practice; and he would submit it to him, whether the man ought to have the pay of the deserters which he claimed: If this was the case, he presumed the principle would open a prospect to the house that would astonish them: The pay of every deserter would be claimed, upon one pretence or another, and there were not less than 30,000, or perhaps 50,000, of this number.

Mr. LAWRENCE

Acknowledge the practice in our army, and every other, to be as stated by the gentlemen, but he did not conceive it just in its operation. Is it proper, he enquired again, that any nation should be benefited by its own wrong? Or that it should take to itself the pay of the soldiers driven to desert from the breach of contract on the part of government?

The motion for commitment being lost, it was moved to reject the petition, and this was carried in the affirmative.

Mr. AMES.

The subject of the secretary's report, on the means of promoting public credit, is the order for this day; but when I consider the circumstances under which this order was en-

tered into, I am inclined to wish for an extension of the time. It will be recollected that this report was ordered to be printed, in order that the members might have it in their hands for consideration; when this was done, it was expected that the printing would be more expeditiously executed than the event has demonstrated it could be, of consequence our time for deliberation has been curtailed; and those gentlemen, who were against so early a day before, will think the present rather premature; in order to accommodate them, I shall move you a longer day than otherwise I might be disposed to do: And do, if I am seconded, move, sir, that the order of the day be postponed till next Monday week.

Mr. JACKSON.

The report of the secretary of the treasury, mr. speaker, embraces subjects of the utmost magnitude, which ought not to be lightly taken up, or hastily concluded upon. It appears to me to contain two important objects, worthy of our most serious and indefatigable disquisition. The first is, that all idea of discrimination among the public creditors, as original holders and transferees, ought to be done away; and on this head, I must own to you, sir, that I formerly coincided in something like the same opinion, but circumstances have occurred to make me almost a convert to the other. Since this report has been read in this house, a *spirit* of havoc, speculation and ruin, has arisen, and been cherished by people, who had an access to the information the report contained, that would have made an *Hastings* blush to have been connected with, tho' long innured to preying on the vitals of his fellow men. Three vessels, sir, have sailed within this fortnight from this port, freighted for speculation; they are intended to purchase up the state, and other securities, in the hands of the uninformed, tho' honest citizens of North-Carolina, South-Carolina and Georgia. My soul rises indignant at the avaricious and immoral turpitude which so vile a conduct displays.

Then, sir, as to the other object of the report, the assumption of the state debts by the general government, it is a question of delicacy as well as importance; the states ought to be consulted on this point, some of them may be against the measure, but surely it will be prudent in us to delay deciding upon a subject that may give umbrage to the community. For my part, before I decide, I should be glad to know the sentiments of the legislature of the state from which I come, and whether it would, in their opinion, be more conducive to the general and particular interests of these Uni-

ted States, than retaining them on their present footing. I trust I am not singular on this point ; for gentlemen desirous of deciding on full information, will not only wish for the sense of the legislatures of the several states, but of every individual also. Perhaps gentlemen of the neighbouring states may think it proper to take up this business at an early day, because they can learn the desires of their constituents in a short time ; but let those gentlemen consider for a moment, that the distant states ought to have an equal opportunity, and we cannot hear the voice of Georgia in a week, nor in a month. I should therefore be as much in the dark on Monday week, as I am at present ; I would wish, if the postponement is intended to answer any valuable purpose, that it should be extended to a longer period. I think the first Monday in May would be sufficiently soon to enter upon it, and shall therefore move it. In this time the state legislatures may have convened, and be able to give us their sentiments on a subject in which they are so deeply concerned.

Mr. BOUDINOT

Agreed with the honorable gentleman who was up last, that this subject was a matter of the highest importance, and worthy of due deliberation, that speculation had risen to an alarming height : But this consideration had him to be in favor of the only measure which could put a stop to the evil, that is, appreciating the public debt, till the evidences in the hands of the creditors came to their proper value. I also agree, said he, with the gentleman, that it would be a desirable thing to have the sense of the state legislatures, and every part of the community ; because it would tend to elucidate the subject ; but we should not be led by visionary pursuits to defer a business of this magnitude too long. I think we may go into a committee of the whole on Monday week, without coming to a final determination ; but if it is put off for a long period, it will cause a still greater fluctuation in the market, and encrease those circumstances which the honorable gentleman laments as injurious to the peace and happiness of the community. We had better, therefore, look the business in the face, take it into consideration, and go through it deliberately ; but, at the same time, as expeditiously as the novelty of our circumstances will admit. This way also we may acquire information, because we obtain more from listening to each others sentiments, than we can procure from any other

source. But, if after all, gentlemen should find themselves unprepared on Monday week, the business may be postponed to a further day. But I would by no means consent to lose sight of it for so long a period as from now till May.

Mr. JACKSON.

If the members of this body had known the plan in contemplation, and they had had an opportunity of consulting their constituents on the subject, then, I venture to say, this dæmon of speculation would not have extended its baleful influence over the remote parts of the union. It arose and seized on us by surprise, advantages are taken without any forewarning, and such as cannot but exasperate. But, sir, waving all these reflections, let us recollect that the state of North-Carolina forms a part of this union; this measure is to affect her, as well as the states who are represented on this floor. Shall we then proceed without them? Her citizens are indubitably as much concerned in the event as others, and will you bind her in a case of this importance, when she has not a single representative within these walls? If no other consideration can induce gentlemen to defer this business, deference to a sister state, who has so lately acceded to the union, ought. But, in addition to this, I contend that the state legislatures ought to be consulted; and I declare myself, that I shall not know how to vote until I learn the sense of my constituents. If we consent to this proper and reasonable delay, our constituents will be prepared for our decisions, and a stop will be put to the speculation, or if any man burns his fingers, which I hope to God, with all the warmth of a feeling heart, they may, they will have only their own cupidity to blame. The people will then generally remain satisfied, under the general assurance, that congress will pursue proper measures for the support of public credit, and little or no evil can be apprehended; but much substantial good from a delay of a few months.

Mr. STONE

Had no objection to entering into a conversation on this subject on Monday week; but he did not expect the house would pretend to decide the momentous business till some time after: Many principles and terms in the report are entirely new, at least they have never yet appeared in the public papers as subjects of discussion, and of consequence the public mind has not been led to any satisfac-

tory conclusion, by a systematic chain of reasoning; and he believed that much depended upon the unanimity with which these terms and principles are received, and what is the consent of the understanding of the community. He could wish to know particularly what was the opinion of the people of the state of Maryland, and in general, the sentiments of the whole continent; because that opinion might have a salutary influence upon the decision of the house.

He owned himself surprised, and not a little pained, to hear an idea expressed that they ought to be in a hurry about this business. If the propositions produced by the secretary of the treasury, were to make the conditions of America better, or were to bring any great sums into our treasury, he would be with the gentlemen, and vote for adopting them as quick as possible; but in his opinion, this would not be accomplished until either the active resources of this country were larger, or the debts smaller. Then, why should they be in a hurry to adopt a plan that avowedly had for its object an encrease of the national debt, without any addition in the means which the government already possessed? And which she may apply more successfully, perhaps, to her own particular occasions.

Mr. SHERMAN

Hoped the business would be conducted in such a way, as to be concluded before the end of the present session. As to obtaining the sense of the state legislatures, he did not think that a necessary thing. The people appointed the members of this house, and their situation enabled them to consult and judge better what was for the public good, than a number of distinct parts, void of relative information, and under the influence of local views. He supposed that congress contained all the information necessary to determine this, or any other national question. As to the first observation of the gentleman from Georgia, that speculations had been carried on to a great extent, he had only to observe, that this had been the case from the time when the public securities were first issued, and he supposed it would continue to be done, until the holders were satisfied with what was done to secure the payment.

As to the state debts, it was a subject which he apprehended would not be ultimately decided, till the sense of the people was generally known, and on this occasion, it

might be well to be acquainted with the sense of the state legislatures ; he hoped therefore that it would be the case. But with regard to the foreign, and domestic continental debts, he did not hesitate to say, it was proper for congress to take them into consideration as speedily as possible ; for the sooner they are discussed, the sooner will the house make up their judgment thereon. He believed they were possessed of all the facts they could be possessed of, and therefore any great delay was improper. He was in favor of making the business the order of the day for Monday week.

Mr. HARTLEY.

If we mean to adhere to the principle we countenanced at the last session, we shall take up this business at an early day. If we mean to lose that confidence which the government has already acquired, we shall consent, perhaps, to postpone it to the time moved for by the honorable gentleman from Georgia. But I trust we are decided in our endeavours to revive our drooping credit, and that we shall steadily and unweariedly pursue the open and liberal policy which is its firmest prop in those times of exigence which inevitably occur in the affairs of nations. Whether we go through and determine the great question of discrimination, and all the other questions arising out of the secretary's report, in a week or two, is not so material ; but in order to be consistent with ourselves, in attaining the object we have contemplated, we ought undoubtedly to proceed to the investigation.

Mr. SEDGWICK.

I believe the house at present have not come to a conclusion in their own opinion, on the various circumstances which is necessary to be attended to in the report of the secretary of the treasury, therefore I think some delay is necessary ; but it should be as early a day as we could act upon it understandingly. The ardent expectations of the people, on this subject, wants no other demonstration than the numerous body of citizens assembled within these walls*. And while the public expectation is kept thus alive, and in suspense, gentlemen cannot but suppose designs will be framed and prosecuted, that may be injurious to the community. For although I do not believe that speculation, to a certain degree, is baneful in its effects upon society ; yet, when it is extended too far, it becomes a real evil, and re-

* The galleries were unusually crowded.

quires the administration to divert or suppress it. If the capital employed in merchandize is taken from that branch of the public interest, and employed in speculations no way useful in encreasing the labor of the community, such speculation would be pernicious. The employment of the time of merchants in this way, in addition to the employment of their capital, is a serious and alarming circumstance. A spirit of gambling is of such evil tendency, that every legislative endeavor should be made to suppress it. From these considerations, I take it, mr. speaker, that there are two things very evident; first, that the postponement should be so long as to enable us to enter upon the task with understanding; and that this pernicious temper, or spirit of speculation, should be counteracted at as early a period as can possibly take place.

If the object of the gentleman from Georgia is to destroy this phrenzy which has taken hold of men, and is so destructive of industry and morals, he should move for as early a day as would be consistent with my other principle; but by no means ought he to advocate a period so distant as the month of May.

Mr. GERRY.

I am a friend to the postponement, mr. speaker, though not for so long a time as the gentleman from Georgia proposed. It will be agreed, on all hands, that public credit is the main pillar on which this government is to stand; but so embarrassed are our finances, that they require both time and consideration for their due arrangement. We have already done something toward attaining this object. We organized a department in such a way as we judged most likely to bring the business into system; and the executive officer has selected a character, whom, it is presumable, he supposed was the person that best understood the subject, of any citizen of the United States. This gentleman was called upon, expressly, by the house, at their last session, to consider this very important and extensive subject;—he was called up at a time when the period for his investigation was rather circumscribed, and himself but just seated in his office. But yet, that gentleman has prepared and reported a plan for the support of public credit. Undoubtedly he has bestowed upon it all the attention in his power; but as we have had this report but a very few days in our hands, it therefore requires that we should have further time for consideration, as we are ultimately to decide thereon. But, in addition to this, there has been the accession of the state

of North-Carolina to the union since, and she is not yet represented on this floor. I think, until her members arrive, it will be indelicate, if not unjust, to enter upon a question so momentous, and in which she has particularly interested herself, by a declaration with respect to the consolidation of the state debts.

With respect to the suppression of speculation, I do not conceive it possible, by either a longer or shorter postponement. Does any gentleman expect, while we have a public debt, to prevent speculation in our funds? If they do, they expect to accomplish what never was effected by any nation, nor, in my opinion, ever will: But if they could accomplish it, they would do an injury to the community; for speculation gives a currency to property that would lie dormant; all public debts would hereafter be contracted on terms ruinous to the debtors. As to the policy of speculation, I doubt whether the speculations of foreigners in our funds is not rather advantageous than disadvantageous to the community. If we look abroad, and judge by comparative reasoning, we shall be lead to believe that nations derive great advantages from being possessed of the money of foreigners; they not only endeavor to acquire it by direct, but also by indirect loans. During the late war, the Dutch held 40 or 50,000,000 sterling, in the funds of Great Britain, and she was sensible of the benefit. The speculations of individuals has perhaps been of the greatest advantage to those who held public securities, by giving a circulation to the certificates. Hence it has been thought, that a public debt was a source of great emolument to a nation, by extending its capital, and enlarging the operations of productive industry.

When the last war commenced, France supposed, by detaching her colonies from Britain, she would be able to make her own terms with her. In the contest, Great Britain increased her national debt to an astonishing degree; and when all Europe expected to see her sink beneath the burthen, she stood firm and fixed as ever, with an increase of strength. The influx of specie, after the peace, to purchase into her funds; the means this afforded for the expansion of her commerce and manufactures, has rather made the revolution an advantage than a disadvantage to her.— However, be these matters as they may, we have not now to deliberate whether we shall acquire a national debt; it is already done, and we must either provide for the same, or declare our unwillingness or disability; we do not mean to do either of the last, therefore we must prepare to do the

first ; but then it ought to be delayed until we are all prepared to enter upon it. From the consideration of the arrival of the members from North-Carolina, I move to postpone it till the month of March.

Mr. JACKSON.

I know, sir, that there is, and will be, speculations in the funds of every nation possessed of public debt : But they are not such as the present report has given rise to, by the advantage those at the seat of government obtained of learning the plan contemplated by the principal of the treasury department, before others had heard a word thereof. If we had either received this report privately, or not sat in a large city, then, sir, none of the speculations would have arisen, because congress could have devised means of diffusing the information so generally as to prevent any of its ill effects. Under these impressions I am led to express my ardent wish to God, that we had been on the banks of the Susquehanna or Potomack, or any place in the woods, and out of the neighborhood of a populous city ; all my unsuspecting fellow-citizens might then have been warned of their danger, and guarded themselves against the machinations of the speculators. To some gentlemen, characters of this kind may appear to be of utility ; but I, sir, view them in a different light ; they are as rapacious wolves, seeking whom they may devour, and preying upon the misfortunes of their fellow men, taking an undue advantage of their necessities.— This, sir, is the sentiment of my heart, and I will always use its language. I say, sir, whatever might be the happy effects of speculation in other countries, it has had the most unhappy and pernicious in this. Look at the gallant veteran, who nobly led your martial bands in the hour of extreme danger, whose patriotic soul acknowledged no other principle than that his life was the property of his country, and who evinced it by his repeated exposures to a vengeful enemy—See him deprived of those limbs which he sacrificed in your service ! and behold his virtuous and tender wife, sustaining him and his children in a wilderness, lonely, exposed to the arms of savages, where he and his family have been driven by this useful class of citizens, these speculators, who have drained from him the pittance which a grateful country had afforded him, in reward for his bravery and toils, and a long catalogue of merits. Nor is their in-

satiable avarice yet satisfied, while there remains a single class of citizens who retain the evidence of their demands upon the public; the state debts are to become an object for them to prey upon, until other citizens are driven into scenes of equal distress. Is it not the duty of the house to check this spirit of devastation? It most assuredly is. If by the ill-timed promulgation of this report, we have laid the foundation for the calamity, ought we not to counteract it? This may be done by postponing the subject, until the sense of the state legislatures is obtained with respect to their particular debts. Then these men may send off other vessels, to countermand their former orders; and, perhaps, we may yet save the distant inhabitants from being plundered by these harpies.

With respect to the final settlements, I said before, and I feel now that my mind is almost made up in favor of some discrimination, by reason of the speculation which has been carried on; but I wish for delay, if it be only for the sake of waiting the arrival of the representatives of North-Carolina, whose state has made an express declaration, relative to the assumption of the state debt; her single voice, to be sure, ought not to govern the whole continent, but her sense ought to be declared; now, this cannot be obtained before April or May: Nor will the honest foldier or citizen, who fought your battles, or furnished you supplies, think hard of this short delay, when they are satisfied, that it is the intention of congress to provide for them as soon as the collected voice of the union can be procured. And no man can think that the other class of certificate holders, will have cause to complain, because no man supposes they will fall in price; but if they did, the advantageous bargains they have made at their procurement, will bear such a diminution without doing a real injury; on the contrary, they will nevertheless make fortunes by the event.

Mr. BOUDINOT

Applauded every gentleman who spoke his sentiments freely; it was the performance of the intention with which they were sent here, and the most likely way of understanding a subject, and coming to an amicable and just conclusion thereupon. But he should be sorry if, on this occasion, the house should decide, that speculation in the funds was a violation of either the moral or poli-

tical law. A government hardly exists in which such speculation is disallowed; but it must, at the same time, be admitted, that every thing of this kind had proper bounds, which may be too small, or too great. If you will not permit your creditor to transfer his debt, you deprive the commonwealth of a great part of her credit and capital: On the other hand, if speculation is carried on to that degree, as to divert the funds of productive labor into the pursuit of visionary objects, or destroys them, the community clearly loses the use of so much of its capital, which is a considerable evil. He agreed with the gentlemen, that the spirit of speculation had now risen to an alarming height; but the only way to prevent its future effect, was to give the public funds a degree of stability as soon as possible.

He agreed that it was a desirable thing, that every part of the continent should be represented; but he did not think that the absence of North-Carolina, would warrant them to induce an accession of expence upon Massachusetts and all the other states. He did not however wish, or expect, that the decision would take place on Monday week; but he expected the members of the house would gain more understanding and information on the subject, from a conversation, and exchange of sentiments on this floor, in a day, than they would by a month's study in their chambers.

MR. PAGE

Wished to go into a committee of the whole upon the subject, pursuant to the order of the day; nor did he think it would be hurrying on the business improperly, because the report was so voluminous, as to require a considerable length of time for consideration; and this might be commenced to-day, without a decision for some time after. He conceived the time of this day would be well spent in reading it; but if gentlemen were unprepared to enter upon it, he should not oppose a small delay; but to put it off, till either March or May, would be highly improper; such a proceeding would give a fatal stab to our reviving credit. As to preventing the evils arising from speculation, that he believed was impossible, while mankind were at liberty to dispose of, or acquire property: Nor did he think it could have been prevented by observing that secrecy, which the gentle-

man from Georgia seemed to approve; on the other hand, it might have given rise to a more extended and pernicious scheme of speculation; he hoped to see all the councils of this country conducted on open, undisguised, and liberal principles. He thought there was not room for the charge of surprise, because the house had manifested its disposition to exert itself in support of public credit at their last session: This had been noticed in the president's speech, and in the address of the house; and he conceived a long delay would imply that degree of neglect of their promise, which would give a deadly wound to future confidence.

Mr. SENEY

Said, in his opinion, the subject was too momentous, and of too great a magnitude, to be hurried through the house; and that a sufficient length of time ought to be allowed, for considering it in its various parts, in order to form a just conclusion on its merits. The members of this house may derive information from the discussion it may receive in the public prints, and from conversation with their fellow-citizens; whereas, if the house entered into a discussion before the subject was well understood, a great deal of time would be unnecessarily expended; he was therefore in favor of allowing a reasonable time for consideration, which he supposed to be about four or five weeks.

Mr. PAGE

Hoped, if the subject was postponed till a distant day, that the house would immediately adjourn to the same; for if the pretence of postponement, namely, to learn the sentiments of their fellow-citizens, was well founded, it was their duty to go home and learn them.

Mr. SENEY said, that was not his motive for postponing.

Mr. PAGE

Said, perhaps, it was not; but it was an argument held out by other gentlemen, and, if it was of any weight, the house ought to adjourn until they could know the voice of the continent. If the motion for postponing to a distant day prevailed, he would move an adjournment for the same period; and this would be a more becoming measure, than to continue sitting here, spending the public money, when they had little or nothing of importance to do; for almost all the business now before them,

derived its importance from the connection it had with the public faith and honor.

Mr. SENEY.

If congress had no other business, or that business was unimportant, I should not be unwilling to join in the adjournment, mentioned by the gentleman from Virginia; but as congress has other important business before them, our time, I presume, can be well employed in completing it in the interval, which I wish to be allowed for considering this.

I believe that the resolution entered into by the house, at their last session, has been mistaken by gentlemen, who urge, that we stand pledged to take up this business, and make it the first object of our attention. I conceive, sir, the words of the resolution contain nothing of that import. All that we said was, that we considered an adequate provision, for the support of the public credit, as a matter of high importance to the nation; and that the secretary be authorized to prepare a plan for that purpose. All this has been done; but it does not follow we are to decide without time for deliberation.

Mr. GERRY

Said there was sufficient business before the legislature to employ them, with all their industry, until the time he had mentioned for this business to be postponed. If some gentlemen are so well ascertained of the principles and consequences of the report, as to be able to decide at this time, they ought to extend an indulgence to the members of inferior capacity; for his part, he did not yet comprehend the whole subject. He was not afraid of injuring the community, by encreasing the spirit of speculation, if such a spirit did injury at all; because the business was now carried on between speculator and speculator; it was they only who bought and sold certificates at the present day: He believed there were very few instances in which an original holder would now be inclined to sell; a little delay, therefore, can do no injury, but coming to a hasty and sudden conclusion, may entail very considerable inconveniencies on posterity.

Mr. PAGE called for a division of the question, and the first part, viz. that the house agree to postpone the order of the day, was carried in the affirmative. The first Monday in March was then taken, and the house divided, ayes 14, noes 38.

Mr. LEE then moved Monday fortnight ; but this being decided out of order, inasmuch as after a division of the question has been called, and the first part put, it had been the practice of the house to preclude debate or amendment.

The question was then taken on next Monday week, and carried in the affirmative.

A message from the president of the United States was received, by mr. secretary Lear, communicating the act of Rhode-Island for calling a convention. Also, a letter from the governor of that state, to the president, praying a further suspension of the impost, tonnage, and collection laws. These papers were referred to a committee, consisting of messrs. Brown, Benson, and Coles.

Mr. BURKE brought in a bill for securing to authors and proprietors, an exclusive right to their respective writings.

Mr. WHITE

Moved that a committee be appointed to examine into the measures taken by congress, and the state of Virginia, respecting the lands reserved for the use of the officers and soldiers of the said state, on continental and state establishments, in the cession made by the said state to the United States, of the territory north-west of the river Ohio, and to report the same to the house.

Messrs. White, Muhlenberg, and Seney, were appointed a committee accordingly.

The house took up mr. Smith's motion respecting the unfinished business, and after some consideration, it was ordered to lie on the table : As was the report of the secretary at war on the petition of captain Charles Merkley.

Then the house adjourned.

JANUARY 29.

The speaker laid before the house a letter from the treasurer of the United States, enclosing accounts of expenditures and disbursements from the time of his coming into office to the 31st December last, which were read and referred to a select committee, consisting of messrs. Smith, (S. C.) Moore, Smith (M.) Clymer, and Van Rensselaer.

A message was received from the senate, by mr. secretary Otis, informing the house, that the senate has passed a bill for the punishment of certain crimes against the United States, to which they requested the concurrence of the house. He then delivered in the bill, and withdrew.

Mr. GERRY

Presented a petition from Aaron Putnam, of Medford, in the state of Massachusetts; stating that he had invented a mode of distilling spirits, which is different from any that had come to his knowledge, and he presumed was entirely new; and praying that the benefit of his discovery may be secured to him: Which was referred to the committee appointed to bring in a bill for securing to inventors the right of their discoveries.

A memorial from Roger Alden, was read, and referred to a committee, consisting of messrs. Trumbull, Baldwin and Benson.

Mr. THATCHER

Moved that the petition from the inhabitants of the town of Portland, be read a second time, which was read accordingly, and referred to the secretary of the treasury, for his information; who is directed to report thereon to the house.

Mr. LIVERMORE moved that a committee be appointed to bring in a bill for the appropriation of such sum or sums of money as may be necessary for the civil list, and the incidental charges of the present year.

The motion was adopted, and messrs. Livermore, Sylvester, and Lee, were appointed.

Mr. SEDGWICK

Wished to call the attention of the house to a plan for regulating the exports of the United States, in order to prevent those frauds which are practised at present, and which tend to depreciate the value of our staple commodities, when introduced into other countries. Among the variety of articles which might become objects of such a regulation, there was the article of beef; this had been shipped abroad, in some cases, in a state that injured the reputation of the United States: He thought that government ought to extend its cares to objects of this importance. But it might be a question, whether the constitution authorised the government to do so? For his part, he thought the constitution warranted the exercise of the power, under the clause giving to congress the general power of regulating commerce with foreign nations, and among the several states. If the contrary sentiment prevailed, he supposed it would arise from the exception made to this power by implication, in that article which declared, that no state shall, without the consent of congress, lay any impost, or duties on imports or exports, except what may be absolutely necessary for ex-

executing its inspection laws ; and the net produce of all such duties shall be for the use of the treasury of the United States ; and all such laws shall be subject to the revision or control of congress. But he did not suppose any construction of this article would operate to defeat the measure ; he had in contemplation, whether another clause, namely, that prohibiting the national government from laying any tax or duty on exports, extended so far, was also doubtful ; but he was of opinion, that the business might be accomplished without laying any tax or duty thereon : But the former article seems to point out what was contemplated by the framers of the constitution. The giving to congress a controlling power, expressly, over the state laws, supposes that they had a power existing in them for the same purpose : However, he would not enter into an investigation of the subject at this time, when his object was merely to bring it forward, in order to lie on the table for deliberation ; he thereupon moved the following :

Resolved, That a committee be appointed to bring in a bill or bills, to encourage the exports of the United States, and to guard against frauds in the same. Laid on the table.

Mr. SMITH (S. C.)

Introduced a resolution to this purport, that the judges of the supreme court be directed to report to the house, a plan for regulating the processes in the federal courts, and the fees to the clerks of the same. Laid on the table.

A motion to take up, for the third reading, the bill providing the means of intercourse between the United States and foreign nations, was, after a short discussion, negatived.

The house then adjourned till Monday, 11 o'clock.

FEBRUARY 1.

Mr. GALE appeared and took his seat.

The bill for defining and punishing certain crimes against the United States, was read a second time, and made the order of the day for Friday next.

The order of the day being called for, the house went into a committee of the whole, on the bill for securing to authors and proprietors the copy-right of their works.

Mr. BALDWIN in the chair.

The bill was read and considered in paragraphs. The committee then rose, and reported the same, with amendments. The motion for recommitment was withdrawn, and the house proceeded to consider the amendments ; to all of which they agreed. It was then ordered that the bill be engrossed for a third reading to-morrow.

Mr. WHITE, of the committee appointed to examine into the measures taken by congress, respecting lands granted by the state of Virginia for the troops of that state, brought in a report, which was read.

A message was received from the president of the United States, by mr. secretary Lear, communicating a letter from the governor of North-Carolina, with a copy of the act of that state, ceding to the United States certain western lands therein described.

The message, with the accompanying act, were read ; and on motion of mr. Smith (S. C.) referred to a committee to report thereon. The following gentlemen were appointed accordingly, messrs. Clymer, Tucker, Gale, Madison and Mathews.

Mr. HARTLEY moved that a committee should be appointed to bring in a bill, providing for a general system of bankruptcy in the United States.

Mr. SMITH (S. C.)

Said he objected to the subject being taken up immediately ; the present situation of the country, he conceived, was such, as to render a general law on this subject a more intricate and perplexing business than the gentleman was aware of. He thought it most prudent to defer the business till the public debt should be funded, and banks established, without which it was difficult to conceive how arrangements could be made, to facilitate the payment of debts, or the operation of such a law : He said that the insolvent acts in the several states would answer at present.

Mr. HARTLEY

Said the constitution required that an act should be passed on the subject ; but he did not wish to hurry it through the house the present session, he was desirous, however, that some steps should be taken to shew that the congress had the credit of the country in view.

Mr. SEDGWICK

Adduced similar observations to those of mr. Smith (S. C.) and adverting to the present state of that country, from whence many of our precedents are derived, said, that since the adoption of their present system of bankruptcy, that nation had enjoyed a degree of tranquillity and domestic happiness unknown for a century before : But, recurring to the obvious difference in the circumstances of the two countries, with respect to commercial transactions within that kingdom, he said, that in his opinion, we were not at present prepared to go fully into the subject, or to adopt similar re-

gulations; when there appeared to him to be a greater facility in recovering debts, he would not be backward in voting for the measure.

Mr. HARTLEY consented that the motion should lie on the table.

Mr. SMITH (S.C.)

Then recited the following clause in the constitution, viz. "Full faith and credit shall be given in each state to the public acts, records, and judicial proceedings of every other state; and the congress may, by general laws, prescribe the manner in which such acts, records, and proceedings shall be proved, and the effect thereof:" And moved, that a committee be appointed to bring in a bill, or bills, pursuant thereto; this motion being adopted, the following gentlemen were appointed, messrs. Page, Jackson, and Thatcher.

Mr. HEISTER moved, that a committee be appointed to bring in a bill or bills, making provision for the invalid pensioners of the United States; this being adopted, messrs. Heister, Partridge, and Hathorn, were appointed.

Mr. WHITE moved that a committee of elections be appointed; which consisted of messrs. Ames, Sherman, Benson, Stone, Page, Wynkoop, and White.

A message was received from the senate, by their secretary, mr. Ous, with a bill for giving effect to the laws of the United States, in the state of North-Carolina, returned with amendments, in which the senate requested the concurrence of the house; these amendments were agreed to, except one amendment only.

By the amendments of the senate, to the foregoing act, a clause is introduced for the purpose of further suspending the operation of the tonnage act, respecting the vessels belonging to Rhode-Island, till the first day of April next.

Adjourned.

FEBRUARY 2.

Mr. BLAND appeared in the house, and took his seat.

The bill securing the copy right of authors, and proprietors, was read, and on motion, recommitted.

A petition from W. Hassel, was read, and ordered to lie on the table.

Mr. FOSTER, from the committee to whom had been recommitted the enumeration bill, reported the same, and the house proceeded to the consideration thereof.

Mr. LIVERMORE

Apprehended this plan was too extensive to be carried into operation, and divided the people into classes too mi-

nute to be readily ascertained. For example, many inhabitants of New-Hampshire, pursued two, three, or four occupations, but which was the principle one, depended upon the season of the year, or some other adventitious circumstance; some followed weaving in the spring and summer, but the making of shoes was the most predominate in the fall and winter; under what class are these people to be thrown, especially if they joined husbandry and carpenters' work, to the rest? He was confident the distinction which the gentleman wished to make, could not be performed; he was therefore against adding additional labour, and consequently, incurring additional expence, whether the work was executed or not. Besides this, he apprehended it would excite the jealousy of the people; they would suspect that government was so particular, in order to learn their ability to bear the burthen of direct or other taxes, and under this idea, they may refuse to give the officer such a particular account as the law requires, by which means you expose him to great inconvenience and delay in the performance of his duty.

Mr. SEDGWICK

Understood, when the bill was recommitted, it was intended to specify every class of citizens, into which the community was divided, in order to ascertain the actual state of the society. Now, he had to ask, why it was not extended further? He thought the learned professions should be returned, as well as the others, and would furnish as grateful information as the return of any other. The state of society could be ascertained, perhaps, in some degree, from observing these proportions.

Mr. MADISON.

If the object to be attained by this particular enumeration be as important in the judgment of this house, as it appears to my mind, they will not suffer a small defect in the plan, to defeat the whole. And I am very sensible, mr. speaker, that there will be more difficulty attendant on the taking the census, in the way required by the constitution, and which we are obliged to perform, than there will be in the additional trouble of making all the distinctions contemplated in the bill. The classes of people most troublesome to enumerate, in this schedule, are happily those resident in large towns, the greatest number of artisans live in populous cities, and compact settlements, where distinctions are made with great ease.

I take it, sir, that in order to accommodate our laws to the

real situation of our constituents, we ought to be acquainted with that situation. It may be impossible to ascertain it as far as I wish, but we may ascertain it so far as to be extremely useful, when we come to pass laws, affecting any particular description of people. If gentlemen have any doubts with respect to its utility, I cannot satisfy them in a better manner, than by referring them to the debates which took place upon the bills, intend, collaterally, to benefit the agricultural, commercial, and manufacturing parts of the community. Did they not wish then to know the relative proportion of each, and the exact number of every division, in order that they might rest their arguments on facts, instead of assertions and conjectures? Will any gentleman pretend to doubt, but our regulations would have been better accommodated to the real state of the society than they are? If our decisions had been influenced by actual returns, would they not have been varied, according as the one side or the other was more or less numerous? We should have given less encouragement in some instances, and more in others; but in every instance, we should have proceeded with more light and satisfaction.

The gentleman from Massachusetts (Mr. Sedgwick) has asked, why the learned professions were not included: I have no objection to giving a column to the general body? I think the work would be rendered more complete by the addition, and if the decision of such a motion turned upon my voice, they shall be added. But it may nevertheless be observed, that in such a character, they can never be objects of legislative attention or cognizance. - As to those employed in teaching and inculcating the duties of religion, there may be some indelicacy in singling them out, as the general government is proscribed from interfering, in any manner whatever, in matters respecting religion; and it may be thought to do this, in ascertaining who, and who are not, ministers of the gospel. Conceiving the extension of the plan to be useful, and not difficult, I hope it may meet the ready concurrence of this house.

Mr. PAGE

Thought this particular method of describing of the people, would occasion an alarm among them; they would suppose the government intended something, by putting the union to this additional expence, beside gratifying an idle curiosity; their purposes cannot be supposed the same as the historian's or philosopher's—they are statesmen, and all their measures are suspected of

policy. If he had not heard the object so well explained on this floor, as one of the people, he might have been jealous of the attempt, and as it could serve no real purpose ; for, he contended, if they were now acquainted with the minutiae, they would not be benefited by it. He hoped the business would be accomplished in some other way.

Mr. MADISON

Thought it was more likely, that the people would suppose the information was required for its true object, namely, to know in what proportion to distribute the benefits resulting from an efficient general government.

The schedules were now agreed to by the house, and the bill, with an alteration respecting the allowance to the marshal of Maine, was ordered to be engrossed.

A message from the senate, with the bill for giving effect to the laws of the United States in the state of North-Carolina, was received :

Whereupon, the said bill was ordered to be enrolled, and messrs. Gilman and White, were appointed a committee for that purpose. Adjourned.

F E B R U A R Y 3.

The bill for enumerating the inhabitants of the United States, was brought in, engrossed, and, on motion, ordered to lie on the table.

A petition from Wilhelmus Decker, of the late continental army, was read, praying relief.

Mr. BURKE presented the report of the committee, on the petition of Francis Bailey, stating it to be their opinion, that his invention will be of great importance to the public, inasmuch as it would prevent their paper from being successfully counterfeited, and that the subject be referred to the secretary of the treasury ; on motion, this report was agreed to.

The house then went into a committee of the whole on the naturalization bill.

The first clause enacted, that all free white persons, who have, or shall migrate into the United States, and shall give satisfactory proof, before a magistrate, by oath, that they intend to reside therein, and shall take an oath of allegiance, *and shall have resided within the United States for one whole year*, shall be entitled to all the rights of citizenship, except being capable of holding an office under the state or general government, which capacity

they are to acquire after a residence of two years more.

Mr. TUCKER

Moved to strike out the words, "and shall have resided within the United States for one whole year;" because, he conceived it the policy of America, to enable foreigners to hold lands, in their own right, in less than one year; he had no objection to extending the term, entitling them to hold an office under government, to three years. In short, the object of his motion was, to let aliens come in, take the oath, and hold lands without any residence at all.

Mr. HARTLEY

Said, he had no doubt of the policy of admitting aliens to the rights of citizenship, but he thought some security for their fidelity and allegiance was requisite, beside the bare oath; that is, he thought an actual residence, of such a length as would give a man an opportunity of esteeming the government, from knowing its intrinsic value, was essentially necessary to assure us of a man's becoming a good citizen. The practice of almost every state in the union countenanced a regulation of this nature; and, perhaps, it was owing to a wish of this kind, that the states had consented to give this power to the general government. The terms of citizenship were made too cheap in some parts of the union; now, to say, that a man shall be admitted to all the privileges of a citizen, without any residence at all, is what can hardly be expected.

The policy of the old nations of Europe, has drawn a line between citizens and aliens: That policy has existed, to our knowledge, ever since the foundation of the Roman empire; experience has proved its propriety, or we should have found some nation deviating from a regulation inimical to its welfare. From this it may be inferred, that we ought not to grant this privilege on terms so easy, as is moved for by the gentlemen from South-Carolina. If he had gone no further, in his motion, than to give aliens a right to purchase and hold lands, the objection would not have been so great; but if the words are stricken out, that he has moved for, an alien will be entitled to join in the election of your officers at the first moment he puts his foot on shore in America, when it is impossible, from the nature of the business, that he can

be qualified to exercise such a talent; but if it was presumable, that he was qualified, by a knowledge of the candidates, yet we have no hold upon his attachment to the government.

Mr. SHERMAN

Thought that the interests of the state, where the emigrant intended to reside, ought to be consulted, as well as the interests of the general government. He presumed it was intended by the convention, who framed the constitution, that the congress should have the power of naturalization, in order to prevent particular states receiving citizens, and forcing them upon others, who would not have received them in any other manner; it was therefore meant to guard against an improper mode of naturalization, rather than receive them upon easier terms than those pursued by the several states. Now, the regulation provided for in this bill, entitles all free white persons, which includes emigrants, and even those who are likely to become chargeable; it certainly never would be undertaken by congress, to compel the states to receive, and support this class of persons; it would therefore be necessary, that some clause should be added to the bill to counteract such a general proposition.

Mr. PAGE

Was of opinion, that the policy of European nations and states, respecting naturalization, did not apply to the situation of the United States. Bigotry and superstition, or a deep-rooted prejudice against the government, laws, religion, or manners of neighboring nations, had a weight in that policy, which cannot exist here, where a more liberal system, doubtless, ought to prevail. I think, sir, said he, we shall be inconsistent with ourselves, if, after boasting of having opened an asylum for the oppressed of all nations, and established a government which is the admiration of the world, we make the terms of admission, to the full enjoyment of that asylum and government, so hard as is now proposed. It is nothing to us, whether Jews, or Roman Catholics, settle amongst us; whether subjects of kings, or citizens of free states, wish to reside in the United States, they will find it their interest to be good citizens; and neither their religious or political opinions can injure us, if we have good laws, well executed.

Mr. BOUDINOT

Was against striking out the words, because he would rather chuse to alter it from one year to two years, than strike out all that respected the capacity of an alien to be elected into any office: He conceived, that after a person was admitted to the rights of citizenship, he ought to have them full and complete, and not be divested of any part.

Mr. WHITE

Noticed the inconvenience which would result from permitting an alien to all the rights of citizenship, merely upon his coming and taking an oath, that he meant to reside in the United States. Foreign merchants, and captains of vessels, might, by this means, evade the additional duties laid on foreign vessels; he thought, therefore, if the words were struck out, that another clause ought to be added, depriving persons of the privilege of citizenship, who left the country, and staid abroad for a given length of time.

Mr. LAWRENCE

Was of opinion, that congress had nothing more to do than point out the mode by which foreigners might become citizens. The constitution had expressly said, how long they should reside among us, before they were admitted to seats in the legislature; the propriety of annexing any additional qualifications is therefore much to be questioned; but this bill is not confined to the qualification of the general government only, it is descended to to those of the state governments; it may be doubly questioned, how far congress have the power to declare what residence shall entitle an alien to the right of a seat in the state legislatures.

The reason of admitting foreigners to the rights of citizenship amongst us, is, the encouragement of emigration, as we have a large tract of country to people.—Now, he submitted to the sense of the committee, whether a term, so long as that prescribed in the bill, would not tend to restrain, rather than encourage emigration? It has been said, that we ought not to admit them to vote at our elections; will they not have to pay taxes from the time that they settle amongst us? And, is it not a principle that taxation, and representation, ought to go hand in hand? Shall we then restrain a man from hav-

ing an agency in the disposal of his own money? It has been also observed, that persons might come and reside amongst us for some time, and then leave the country; he did not doubt that such might be the case, but it was presumable, that after they had once taken an oath that they meant to reside here, and had become citizens, that they would return as soon as the occasion which required their absence had determined.

Mr. MADISON.

When we are considering the advantages that may result from an easy mode of naturalization, we ought also to consider the cautions necessary to guard against abuses; it is no doubt very desirable, that we should hold out as many inducements as possible, for the worthy part of mankind to come and settle amongst us, and throw their fortunes into a common lot with ours. But, why is this desirable? Not merely to swell the catalogue of people. No, sir, 'tis to encrease the wealth and strength of the community, and those who acquire the rights of citizenship, without adding to the strength or wealth of the community, are not the people we are in want of. And what is proposed by the amendment is, that they shall take nothing more than an oath of fidelity, and an intention that they mean to reside in the United States: Under such terms, it was well observed by my colleague, aliens might acquire the right of citizenship, and return to the country from which they came, and evade the laws intended to encourage the commerce and industry of the real citizens and inhabitants of America, enjoying, at the same time, all the advantages of citizens and aliens.

I should be exceeding sorry, sir, that our rule of naturalization excluded a single person of good fame, that really meant to incorporate himself into our society; on the other hand, I do not wish that any man should acquire the privilege, but who, in fact, is a real addition to the wealth or strength of the United States.

It may be a question of some nicety, how far we can make our law to admit an alien to the right of citizenship, step by step; but there was no doubt, but we may, and ought to require residence as an essential.

Mr. SMITH (S. C.)

Thought some restraints proper, and that they would tend to raise the government in the opinion of good men, who were desirous of emigrating; as for the privilege

of electing, or being elected, he conceived a man ought to be some time in the country before he could pretend to exercise it. What could he know of the government the moment he landed? Little or nothing: How then could he ascertain who was a proper person to legislate, or judge of the laws? Certainly gentlemen would not pretend to bestow a privilege upon a man which he is incapable of using.

How far the government may admit a man to the rights of citizenship by progression, is called in question. The constitution vests in congress the power, to establish a uniform rule of naturalization; it is not various rules they have the power to make, but one complete uniform rule; now, is it one rule, if a man is admitted progressively? It is; because it is only part of a rule, that a man shall be entitled to certain privileges at the end of one year's residence. Another part is to give more in two years, and the whole is completed at the end of three years. The naturalization laws of Carolina, proceed upon this plan: They do not there conceive it proper to give the complete right at once; they give citizenship for certain purposes at first, extending them afterward, as the person is fitted to receive them.

The intention of the present motion is, to enable foreigners to come here, purchase and hold lands; but it will go beyond what the mover has required, and therefore it will be better to draft a separate clause, admitting them to purchase and hold lands, upon a qualified tenure, and pre-emption right, than thus admit them at once to interfere in our politics. The quality of being a freeholder is requisite, in some states, to give a man a title to vote for corporation, and parish officers. Now, if every emigrant, who purchases a small lot, but for which, perhaps, he has not paid, becomes, in a moment, qualified to mingle in their parish, or corporation politics, it is possible it may create great uneasiness in neighborhoods, who have been long accustomed to live in peace and unity.

MR. HARTLEY

Said, that the subject had employed his thoughts for some time, and that he had made up his mind in favor of requiring a term of residence; the experience of all nations, and the constitution of most of the states, induced the same opinion: An alien has no right to hold

lands in any country, and if they are admitted to do it in this, we are authorised to annex to it such conditions as we think proper; if they are unreasonable, they may defeat the object we have in view, but they have no right to complain: yet, considering the circumstances of this country, he was favorable to easy terms of admission, because, he thought, it might be some inducement to foreigners to come and settle among us. It has been remarked, that we must admit those, whom we call citizens, to all the rights of citizenship at once; this opinion, he presumed, was not well founded, the practice of this country, in no instance warranted it. The constitutions of the several states admitted aliens to the privilege of citizenship, step by step; they generally required a residence for a certain time, before they were admitted to vote at elections; some of them annexed to it the condition of payment of taxes, and other qualifications; but he believed none of the states rendered a foreigner capable of being elected, to serve in a legislative capacity, without a probation of some years. This kind of exception, is also contemplated in the constitution of the United States: It is there required, that a person shall be so many years an inhabitant, before he can be admitted to the trust of legislating for the society. He thought, therefore, that this part of the objection was not well supported.

With respect to the policy of striking out the words altogether from the clause, and requiring no residence, before a man is admitted to the rights of election, the objections are obvious. If, at any time, a number of people emigrate into a seaport town; for example, from a neighboring colony into New-York, will they not, by taking the oath of allegiance, be able to decide the fate of an election, contrary to the wishes and inclinations of the real citizens? and are any gentlemen disposed to throw such an undue influence into the hands of foreigners? Besides, they will acquire a capacity of evading your revenue laws, intended for the encouragement of the citizens. I have mentioned this example, said he, and might enumerate many others, to point out the impropriety of this policy; but presuming them to be within every gentleman's knowledge, I shall not enlarge upon it.

With respect to the propriety of enabling foreigners to acquire and hold lands, on a qualified tenure, I have no objection to such a clause.

Mr. WHITE

Doubted whether the constitution authorised congress to say on what terms aliens or citizens should hold lands in the respective states; the power vested by the constitution in congress, respecting the subject now before the house, extended to nothing more than making a uniform rule of naturalization: After a person had once become a citizen, the power of congress ceased to operate upon him; the rights and privileges of citizens in the several states, belonged to those states to declare; but a citizen of one state, is entitled to all the privileges and immunities of the citizens in the several states. Now, if any state in the union should chuse to prohibit its citizens from the privilege of holding real estates, without a residence of a greater number of years than what should be thought proper by this house, they could do it, and no authority of the government, he apprehended, could enforce an obedience to a regulation not warranted by the constitution. So, in the case of elections, if the constitution of a particular state requires four, five, or six year residence, before a man is admitted to acquire a legislative capacity, with respect to the state government, he must remain there that length of time, notwithstanding you may declare he shall be eligible after a residence of two years; all, therefore, that the house have to do on this subject, is to confine themselves to an uniform rule of naturalization, and not to a general definition of what constitutes the rights of citizenship in the several states.

Mr. JACKSON

Conceived the present subject to be of high importance to the respectability and character of the American name; the veneration he had for, and the attachment he had to this country, made him extremely anxious to preserve its good fame from injury. He hoped to see the title of a citizen of America as highly venerated and respected, as was the name of a citizen of old Rome. I am clearly of opinion, said he, that rather than have the common class of vagrants, paupers, and other out-casts of Europe, that we had better be as we are, and trust to the natural increase of our population for inhabitants. If the motion made by the gentleman from South-Carolina, should obtain, such people will find an easy admittance, indeed, to the rights of citizenship; much too easy for the interests of the people of America: Nay, sir, the terms required by the bill on the table, are, in my mind, too easy also. I think, before a man is admitted to enjoy the high and inestimable privileges of

a citizen of America, that something more than a mere residence amongst us is necessary. I think he ought to pass his time, as it were, in a state of probation, and at the end of the term, be able to bring testimonials of a proper and decent behaviour; no man, who would be a credit to the community, could think such terms difficult or indelicate: if bad men were dissatisfied on this account, and should decline to migrate, the regulation will have a beneficial effect; for we had better keep such out of the country, than admit them into it. I conceive, sir, that an amendment of this kind would be reasonable and proper; all the difficulty will be to determine how a proper certificate of good behaviour should be obtained; I think it might be done by vesting the power in the grand jury or district courts, to determine on the character of the man, as they should find it.

Mr. PAGE.

I observed before, mr. chairman, that the European policy did not apply to the United States. I gave my reasons for it; they are such as have not been controverted, and I presume cannot.

With respect to the idea, sir, of excluding bad men from the rights of citizenship, I look upon it as impracticable; hard terms of admission may exclude good men, but will not keep out one of the wretches alluded to; they will come in various forms, and care little about citizenship. If we make use of the grand jury for this purpose, as proposed by the member from Georgia, (mr. Jackson,) we must, to compleat the plan, authorise the grand jury to indict such emigrants as are unworthy to become citizens, and expel them: We must add an inquisition, and as it will not be sufficient for our views of having immaculate citizens, we should add censors, and banish the immoral from amongst us. Indeed, sir, I fear, if we go on as is proposed now, in the infancy of our republic, we shall, in time, require a test of faith and politics, of every person who shall come into these states. As to any precautions against admitting strangers to vote at elections, though I think them of less importance than some gentlemen, I object not to them; but contend, that every man, upon coming into the states, and taking the oath of government, and declaring his desire and intention of residing therein, ought to be enabled to purchase and hold lands, or we shall discourage many of the present inhabitants of Europe from becoming inhabitants of the United States.

Mr. LAWRENCE.

We are authorized to establish a uniform rule of naturalization; but what are the effects resulting from the admission of persons to citizenship, is another concern, and depends upon the constitutions and laws of the states now in operation. I have therefore an objection to that part of the bill, which respects the qualification of the members of the state legislatures.

But with respect to residence, before a man is admitted, I am of opinion with the gentleman from Virginia (Mr. Page,) at least it may be questioned, whether any good can result from it, to compensate for the evil it may effect, by restraining emigration. And the gentleman has said he would admit none but such as add to the wealth or strength of the nation. Every person who comes among us must do one or the other; if he brings money, or other property with him, he evidently encreases the general mass of wealth, or if he brings labor, that labor is productive of national wealth, and is an addition to our domestic strength. Consequently, every person, rich or poor, must add to our wealth and strength, in a greater or less degree.

Whether there shall be any particular regulation with respect to the character of the man who is to be naturalized, will be an after consideration; but I think it will be sufficient that we are able, by laws, to restrain and regulate the conduct of an individual. Nor do I believe, sir, there is any just ground of apprehension, that people will come to this city, from Nova-Scotia, or any other part of the world, in bodies of 3 or 4000, to turn our elections, or interfere in our politics. And while I am free from these apprehensions, and suppose that the true policy of this country is to make the terms of admission easy, in order to people our country, I shall be against every measure which has a tendency to throw obstacles in the way.

Mr. TUCKER

Had no object in making his motion, but to enable people to hold lands, who came from abroad to settle in the United States: He was otherwise satisfied with the clause, so far as it made residence a term of admission to the privilege of election; but there was a seeming contradiction in making them freeholders, and, at the same time, excluding them from the performance of duties annexed to that class of citizens; he thought the citizens had a right to require a performance of such duties, by every person who was eligible under their state laws and constitutions. Now, if the motion could be modified in any way to accomplish his ob-

ject, with consistency, he would cheerfully acquiesce therein.

As to the privilege of being elected into office, he was of opinion, the term of three or four years was a term sufficiently short to acquire it in; it was a much easier method of obtaining citizenship, than was practised by other nations: Neither would he object to any precaution being introduced into the bill, that had a tendency to prevent the admission of bad men, if such precaution could be devised, consistent with their constitutional power, and that could be carried into easy and safe execution. The mode mentioned by the gentleman from Georgia, of a recommendation by the grand jury, or district court, would throw a very great embarrassment into the way of an emigrant's becoming a citizen; but if some more eligible mode can be devised, of making the inhabitants of the United States a select society of good moral men, he was ready to agree to it, yet he almost despaired of its being accomplished.

He had no doubt but the government had a right to make the admission to citizenship progressive; the constitution pointed out something of this kind, by the different ages and terms of residence, they annexed to the right of holding a seat in this house, and in the senate, and of being chosen president: Now, no inhabitant can become president of the United States, unless he has held that rank fourteen years; which plainly infers that he might have been a citizen, for other purposes, during a part of that time: But it goes still further, it enables congress to dictate the terms of citizenship to foreigners, yet prevents foreigners being admitted to the full exercise of the rights of citizenship, by the general government; because it declares that no other than a natural born citizen, or a citizen at the time of the adoption of this constitution, shall be eligible to the office of president.

With respect to their interference with the state governments, he believed it to be improper; and hoped, therefore, that the bill would be confined solely to the objects of the general government.

Mr. MADISON

Remarked, that the arguments had extended themselves beyond the simple question before the committee, and called into view matters of considerable importance, but of which, at this time, he did not mean to give an opinion. Whether residence is, or is not, a proper quality to be attached to a citizen, is the question? In his own mind, he had no doubt but residence was a proper

pre-requisite, and he was prepared to decide in favor of it.

MR. SMITH, (S. C.)

Hoped the question would not be put to-day, as he wished to reflect further on the subject. A variety of observations had been made, which merited the serious attention of the committee; he would suggest another—An alien, in Great Britain, is not permitted to inherit, or hold real estates for his own use; consequently a citizen of the United States, and a subject of Great Britain, would not be on an equal footing, with respect to estates descended to them by inheritance: He thought this, and the other weighty observations, would induce the house to postpone the subject till to-morrow.

MR. SEDGWICK

Was against the indiscriminate admission of foreigners, to the highest rights of human nature, upon terms so incompetent to secure the society from being over-run with the out-casts of Europe; beside, the policy of settling the vacant territory by emigration, was of a doubtful nature. He believed, in the United States, the human species might be multiplied by a more eligible and convenient mode, than what seemed to be contemplated by the motion now before the committee. He was well satisfied for himself, that there existed no absolute necessity of peopling it in this way; and, if there was no absolute necessity, he thought congress might use their discretion, and admit none but reputable and worthy characters; such only were fit for the society into which they were to be blended. The citizens of America preferred this country, because it is to be preferred; the like principle he wished might be held by every man who came from Europe to reside here; but there was at least some grounds to fear the contrary; their sensations, impregnated with a prejudice of education, acquired under monarchical and aristocratical governments, may deprive them of that zest for pure republicanism, which is necessary, in order to taste its beneficence with that gratitude which we feel on the occasion. Some kind of probation, as it has been termed, is absolutely requisite, to enable them to feel and be sensible of the blessing. Without that probation, he should be sorry to see them exercise a right, which we have gloriously struggled to attain.

Mr. BURKE

Thought it of importance to fill the country with useful men, such as farmers, mechanics, and manufacturers, and therefore would hold out every encouragement to them to emigrate to America. This class he would receive on liberal terms; and he was satisfied there would be room enough for them, and their posterity, for five hundred years to come. There was another class of men, whom he did not think useful, and he did not care what impediments were thrown in their way; such as your European merchants, and factors of merchants, who just come with a view of remaining so long as would enable them to acquire a fortune, and then they would leave the country, and carry off all their property with them. These people, said he, injure us more than they do us good, and, except in this last sentiment, I can compare them to nothing but leeches. They stick to us, until they get their fill of our best blood, and then they fall off and leave us. I look upon the privilege of an American citizen, to be an honorable one, and it ought not to be thrown away upon such people.

There is another class also that I would interdict, that is, the convicts and criminals which they pour out of British jails. I wish, sincerely, some mode could be adopted to prevent the importation of such; but that, perhaps, is not in our power; but the introduction of them, ought to be considered as a high misdemeanor.

Mr. STONE

Had no doubt, but an alien might be admitted to the rights of citizenship, step by step; but he questioned the power of the house, to say, that a man shall be a citizen for certain purposes, as it respects the individual state governments; he concluded that the laws and constitutions of the states, and the constitution and laws of the United States, would trace out the steps by which they should acquire certain degrees of citizenship. Congress may point out a uniform rule of naturalization; but, cannot say, what shall be the effect of that naturalization, as it respects the particular states. Congress cannot say, that foreigners, naturalized under a general law, shall be entitled to privileges which the state withhold from natural born citizens.

Mr. BOUDINOT.

An exchange of sentiment, on this floor, I find always

tends to throw more light on a subject, than what is generally to be obtained in any other way. But, as the subject is not yet fully elucidated, I shall be in favor of letting it remain undecided, till to-morrow, for which reason, I move the committee to rise.

This motion being put, the committee rose, and reported progress, after which the house adjourned.

FEBRUARY 4.

The speaker signed the act, for giving effect to the several acts therein mentioned, in respect to the state of North-Carolina, and other purposes.

Mr. TRUMBULL, from the committee on the memorial of R. Alden, brought in a report.

The house then went into a committee of the whole, on the naturalization bill.

Mr. BALDWIN in the chair.

Mr. TUCKER's motion still before the committee.

The committee being about to take a question on the motion.

Mr. PAGE wished it delayed until he saw the gentleman in his place.

Mr. SMITH, (S. C.)

Said, he believed the object of his colleague, was nothing more than to let foreigners, on easy terms, be admitted to hold lands; that this object could be better effected by introducing a clause to that purpose, and he had no doubt but it would be equally satisfactory to his colleague.

Mr. GOODHUE

Was against the motion, because it made our citizenship too cheap; after it was decided against, he would move to make the term two years, instead of one, before an alien should be entitled to the privilege of a citizen.

Mr. STONE.

I would let the term of residence be long enough to accomplish two objects, before I would consent to admit a foreigner to have any thing to do with the politics of this country. First, that he should have an opportunity of knowing the circumstances of our government, and in consequence thereof, shall have admitted the truth of the principles we hold: Second, that he shall have acquired a taste for this kind of government. And in order that both these things may take place, in such a full manner,

as to make him worthy of admittance into the society, I think a term of four, or seven years, ought to be required.

A foreigner, who comes here, is not desirous of interfering immediately with our politics; nor is it proper that he should; his emigration is governed by a different principle; he is desirous of obtaining and holding property; I should have no objection to his doing this, from the first moment he sets his foot on shore in America; but it appears to me, that we ought to be extremely cautious, how we admit emigrants to the other privileges of citizenship, and that for a reason not yet mentioned, perhaps it may allude to the next generation more than to this, because the present inhabitants, or most of them, have been engaged in a long, hazardous, and expensive war. They have been active in rearing up the present government, and feel, perhaps, a laudable vanity in having affected what the most sanguine hardly dared to contemplate; there is no danger of these people losing what they so greatly esteem; but the admitting of great numbers of foreigners, to all the places of government, may tincture the system with the dregs of their former habits, and corrupt, what we now believe, the most pure of all human institutions.

MR. JACKSON.

It was observed yesterday, mr. chairman, that we could not modify, or confine our terms of naturalization; that we could not admit an alien to the rights of citizenship, progressively. I shall take the liberty of supporting the contrary doctrine, which I contend for, by a reference to the very accurate commentator, on the laws of England, justice Blackstone, book I. chapter 10.—“Naturalization (says he) cannot be performed, but by an act of parliament; for by this an alien is put in exactly the same state as if he had been born in the king’s allegiance, *except*, only, that he is incapable, as well as a denizen, of being a member of the privy council, or parliament, holding offices, grants, &c. No bill for naturalization can be received in either house of parliament, without such disabling clause in it:” So that here we find, in that nation from which we derive most of our ideas on this subject, not only that citizens are made progressively; but, that such a mode is absolutely necessary to be pur-

fused in every act of parliament, for the naturalization of foreigners.

The same learned judge, then goes on to shew the attempts that were made to introduce a general system of naturalization, and how they failed ; and that, to this day, even of their meritorious naval and military characters they make an exception, as to sitting in parliament, &c. and holding grants of land from the crown, within the kingdoms of Great Britain and Ireland. After this, I presume, it will not be contended, that we cannot found our law on the principle of a progressive, and probational naturalization.

With respect to the approbation which a foreigner ought to acquire before he becomes a citizen, I am most clear, and arguments enough have been used to place it in its strongest point of light ; I will not trouble the committee with a repetition ; but I believe it essentially necessary, to render the American name as honorable as it merits.

MR. LAWRENCE

Knew that congress had power to say, on what terms aliens should be admitted to the rights of citizenship, and affix any length of residence they thought proper ; so that there was no occasion to bring a commentator on the English law to prove it to him. But he contended, that when the alien was admitted to the right of citizenship, that the law of the United States could not vary any of the effects of that citizenship in the state to which he belonged. He would elucidate this, by referring to the constitution and practice of this state. No person in New-York can be naturalized but by an act of the legislature ; and, when he is naturalized, there are certain rights which, perhaps, he cannot exercise, because he is not qualified according to the terms of the constitution : For example, he may not vote for representatives in assembly, unless he has resided six months in the state. Now, the act of assembly, naturalizing him, cannot bestow on him the right of voting, unless he either has before, or shall after, reside in the state for the term of six months. He contended, that the law of the United States could not alter the right of any man to vote after six months residence in New-York, provided he had conformed to the laws of the United States, in remaining one

year; as the words, now moved to be struck out, seemed to imply.

It is undoubtedly a question of policy; how long a person shall remain here before he is admitted to the rights of a citizen; but as a short term appeared to him to be best, he was for striking out the words proposed.

Mr. JACKSON

Understood the gentleman yesterday, as having advanced the argument to which he replied; but, if he was mistaken in regard to him, some other gentleman had made the observation, and the authority he adduced, would serve to do away any doubts it might have given rise to.

Mr. HUNTINGTON.

The terms of the bill are too indefinite; it requires the emigrant to take an oath that he intends to reside in the United States: But how long, and for what purpose, are not ascertained. He may determine to stay here until he accomplishes a particular object; and he may go into the most obscure part of the union, to take this oath. The community certainly will not be benefited by such emigrants, and therefore they ought not to be admitted to the privileges of citizenship.

The mode of naturalization, pointed out in this bill, is much too easy. In the state to which I belong, said he, no person could be naturalized, but by an act of the legislature; the same is the case in several of the other states, and in Britain: He never knew a good inhabitant, who wished to be admitted to the rights of citizenship, but what found this mode sufficiently easy.

The term that an emigrant should reside, ought to be sufficiently long to give him an opportunity of acquiring a knowledge of the principles of the government, and of those who are most proper to administer it; otherwise he cannot exercise his privilege with any advantage to himself, or to the community. He therefore wished that the clause might be amended, in such a manner, as to leave the naturalization of foreigners, to the state legislatures.

Mr. CLYMER

Was of opinion that foreigners ought to be gradually admitted to the rights of citizens; and that a residence for a certain time should entitle them to hold property; but that the higher privileges of citizens, such as electing, or being elected into office, should require a longer term; permitting these rights to be assumed, and exercised at a shorter

period, would not operate as any inducement to persons to emigrate; as the great object of emigration is generally with the view of procuring a more comfortable subsistence, or to better the circumstances of the individuals: The exercises of particular privileges was but a secondary consideration.

He then observed, that it might be good policy to admit foreigners to purchase and hold lands in fee simple, without ever coming to America: It would, perhaps, facilitate the borrowing of money of Europeans, if they could take mortgages, and be secure. One state, Pennsylvania, had granted this liberty, to aliens, and they have experienced no inconvenience therefrom; he wished congress to pass a similar law, and was convinced it would not be dishonorable.

Mr. STONE

Gave it as his opinion, that a person, who meant to qualify himself for becoming a citizen of the United States, ought to take the oath of residence and allegiance within six months, and be thereupon entitled to hold property. But that he should not be capable of holding an office, or electing others into one, for seven years.

Mr. BURKE.

Unless some residence is required, it may be attended with confusion. In large cities, like Boston, New-York, or Philadelphia, an election may be carried by the votes of the body of sailors who happened to be in port. If the French fleet was here at such a time, and a spirit of party strongly excited, perhaps one of the candidates might get the crews of every ship in the fleet, and after qualifying them, by taking an oath of no definite meaning, carry them up to the hustings, and place himself on this floor, contrary to the voice of nine-tenths of the city. Even a residence of one year is too short, it ought to be two, three, or four; but seven is again too long. Indeed, the whole of this bill seems some how objectionable; there are some cases also omitted, which may shew the necessity of recommitting it.

The case of the children of American parents born abroad, ought to be provided for, as was done in the case of English parents, in the twelfth of William III. There are several other cases that ought to be likewise attended to.

Mr. PAGE

Had given his sentiments yesterday, and was clearly against throwing any obstacles into the way of good men, who were desirous of becoming citizens.

Mr. LEE did not approve of the motion, but was in favor of as short a term as would be consistent, because he apprehended it would tend considerably to encourage emigration.

Mr. SENEY

Thought congress had no right to intermeddle with the regulations of the several states; while prescribing a rule of naturalization, if they were disposed to say that two, three, or four years residence in the United States was proper, before an alien should be eligible to an office under the general government, they might; but after they have admitted a foreigner to citizenship, he did not believe them authorized to except him, for two years more, from being capable of election, or appointment to any office, legislative, executive, or judiciary, under the state governments; provided the state laws or constitutions admitted him at a shorter period. Nor did he believe congress could admit foreigners to such privilege, so early as two years, in states requiring a longer term of probation.

He had, however, no objection to foreigners being admitted to hold property, without any previous residence; but he did not like the idea of admitting them to a participation in the government, without a residence sufficiently long to enable them to understand their duty. As the bill was not satisfactory to his mind, in its present form, he would vote for a recommitment.

Mr. JACKSON

Had an objection to any persons holding land in the United States without residence, and an intention of becoming a citizen; under such a regulation the whole Western Territory may be purchased up by the inhabitants of England, France, and other foreign nations; the landholders may combine, and send out a large tenantry, and have thereby such an interference in the government, as to overfet the principles upon which it is established. It will be totally subversive of the old established doctrine, that allegiance and land go together; a person owing no allegiance to a sovereign, ought not to hold lands under its protection, because he cannot be called upon, and obliged to give that support which invasion or insurrection may render necessary.

But, with respect to residence and probation, before an alien is entitled to the privilege of voting at elections, I am very clear it is necessary; unless gentlemen mean to render the rank of an American citizen the maygame of the

world. Shall stories be told of our citizenship, like what I have read in the Pennsylvania magazine, of the citizenship there? If my memory serves me right, the story runs, that, at a contested election in Philadelphia, when parties ran very high, and no stone was left unturned, on either side, to carry the election, most of the ships in the harbor were cleared of their crews, who, ranged under the masters and owners, came before a magistrate, took the oath of allegiance, and paid half a crown tax to the collector, as the constitution required, then went and voted, and decided the contest of the day. On the return of one of the vessels, whose crew had been employed in the affair of the election, they fell in with a shoal of porpoises, off Cape Henlopen; "Hah," says one of the men, "what merry company we have got! I wonder where they are going so cheerfully?" "Going," replied one of his comrades, "why, d—n my e—s, going to Philadelphia, to be sure, to pay taxes, and vote for assembly men!" I hope, mr. chairman, we have more respect for our situation as citizens, than to expose ourselves to the taunts and jeers of a deriding world, by making that situation too cheap.

Mr. SMITH, (S. C.)

Admitted the propriety of recommitting the bill, but he wished some principles to be first established for the direction of the committee; for, at present, he was at a loss to conceive what was the prevailing opinion. Many gentlemen had suggested new ideas, which occasioned new difficulties; he hoped they would settle, and remove some of them before they rose. The gentleman from Maryland (mr. Seney) has observed, that we have no right to declare upon what terms an alien shall be admitted to the offices of the state governments; the same argument extends also to the voters. This opinion opens a new field of argument, and entirely changes the system; it ought therefore to be decided: For his part, he was of opinion, that a uniform rule of naturalization would extend to make a uniform rule of citizenship pervade the whole continent, and decide the right of a foreigner to be admitted to elect, or be elected, in any of the states.

He would suggest another idea for consideration; What is to become of those inchoate rights of citizenship, which are not yet completed? Can the government, by an *ex*

post facto law, deprive an alien of the advantage of such an inchoate right?

Mr. SENEY.

The gentleman last up has different ideas of the jurisdiction of the United States from me. He believes we have not only the power of prescribing the qualifications of our own officers, but the officers of every state in the union; but I conceive, with respect to the latter, we have nothing to do; we can go no further than to prescribe the rule by which it can be determined who are, and who are not citizens; but we cannot say they shall be entitled to privileges in the different states, which natural born citizens are not entitled to, until they have performed the conditions annexed thereto.

Mr. BURKE

Said no person ought to be permitted to inherit, by descent, in America, unless the same privilege was reciprocated by other nations; perhaps this point would be properly settled by treaty, and it would be well to introduce a provisionary clause to this effect.

He was also in favor of admitting foreigners to hold lands on easy terms, if they would come to reside among us; and here he would take an opportunity of doing justice to some of them, as it might be supposed, from what had fell from various parts of the house, that foreigners, educated under a monarchy, were inimical to the pure principles of republicanism. He was convinced that this doctrine was untrue, because he had often remarked, that foreigners made as good citizens of republics as the natives themselves: Frenchmen, brought up under an absolute monarchy, evinced their love of liberty in the late arduous struggle; many of them are now worthy citizens, who esteem and venerate the principles of our revolution: Emigrants from England, Ireland, and Scotland, have not been behind any in the love for this country; so there is but little occasion for the jealousy which appears to be entertained for the preservation of the government.

Mr. CLYMER

Observed, that though congress have authority to make a uniform rule of naturalization throughout the states, yet it was not true that it would apply with equal advantage to them all; that it might be proper every where, indeed, that aliens should be admitted, early, to the inferior rights of citizens, but that it would be unsuitable they should be admitted to the higher privileges, at the same period, in all

the states, however differently circumstanced. In states newly formed, it might be useful to fix a short period ; but in the old states, fully peopled, he did not think the longest period, which had been mentioned, too great ; for this reason, he thought the power of naturalizing should be referred to the states, to make such provision as they pleased, and therefore approved the recommitment, but not till the house had passed on to a following clause, which respected the objects of the bill. When that came under consideration, he thought it might be both a generous and a wise policy, to make an easy way to the return of those, with exception to one character only, who had been once citizens of the United States, and who would, many of them, gladly be so again ; he meant the refugees, who were adding to the wealth and strength of a power no ways friendly to us, and are actually injuring some of the states by the rivalry they create in the fisheries.

Mr. TUCKER

Thought the bill must be recommitted, but he did not wish it done till the sense of the house was known, on some of the various points that had presented during the debate. With respect to the latter part of the first clause, he agreed with the gentleman from Maryland, (mr. Seney) that we ought to provide a rule of naturalization, without attempting to define the particular privileges acquired thereby under the state governments. By the constitution of the United States, the electors of the house of representatives are to have the qualifications requisite for electors of the most numerous branch of the state legislatures : He presumed it was to be left to the discretion of the state constitutions, who were to be the electors of the state legislatures, and therefore, the general government had no right to interfere therein.

The motion he had made for striking out the words " and shall have resided within the United States for one whole year," not coming up to, or sufficiently explaining his wishes, he would withdraw, and propose to new model the clause, so as to allow aliens to be admitted to so much of the rights of citizenship as to be able to hold lands, upon taking the necessary oaths, but not to elect, or be elected, to any office under the general government, until they had resided three years within the United States ; with a proviso, that the titles to real estates should not be valid, unless they continued to reside, for the term of three years, in America.

Mr. HARTLEY

Observed that the subject was entirely new, and that the committee had no positive mode to enable them to decide ; the practice of England, and the regulations of the several states, threw some light on the subject, but not sufficient to enable them to discover what plan of naturalization would be acceptable under a government like this.

Some gentlemen had objected to the bill, without attending to all its parts, for a remedy was therein provided for some of the inconveniencies that have been suggested. It was said, the bill ought to extend to the exclusion of those who had trespassed against the laws of foreign nations, or been convicted of a capital offence in any foreign kingdom ; the last clause contains a proviso to that effect, and he had another clause ready to present, providing for the children of American citizens, born out of the United States.

Mr. LIVERMORE

Thought the bill very imperfect, and that the committee ought to rise, and recommend it to be referred to a select committee ; observing, that it was extremely difficult for 50 or 60 persons to arrange and make a system of the variety of motions and observations that had been brought forward.

Mr. SEDGWICK

Was in favor of the committee rising. He did not recollect an instance wherein gentlemen's ideas had been so devious as on this occasion ; motions and observations were piled on the back of each other ; and the committee, from the want of understanding the subject, had involved themselves in a wilderness of matter, out of which he saw no way to extricate themselves but by the rising of the committee.

Mr. SMITH, (S. C.)

As a member of the committee of the whole, wished to take his share of the blame for not understanding the subject ; but he thought, nevertheless, that some of the points suggested, had been so fully discussed, as to enable them to decide, particularly with respect to residence.

Mr. PAGE

Did not approve of the rising of the committee, until they had expressed their sense on the point they had so long under consideration.

Mr. SYLVESTER

Thought it neither for the honor or interest of the United States, to admit aliens to the rights of citizenship, indiscriminately ; he was clearly in favor of a term of probation, and that their good behavior should be vouched for : He

suggested the idea of lodging the power of admitting foreigners to be naturalized, in the district judges.

Mr. SEDGWICK

Meant to blame no gentleman, and hoped no gentleman understood him to intend such a thing; he conceived himself as much in fault as any member, because he had not yet turned his attention so seriously to the subject as he ought.

On the question being put, the committee rose and reported, and the bill was recommitted to a committee of ten.

The house resumed the consideration of the bill for the actual enumeration of the inhabitants of the United States, when a motion was made to recommit this bill.

Mr. SEDGWICK

Adverted to the present rate of representation of the several states in congress, in which, he said, the most palpable inequality reigned. He observed, that an enumeration, such as would be competent to equalise the representation, ought to be made previous to the next election: This, he said, the people expected, on the title of right and justice; and the constitution had provided for it; nor will the people, who think themselves not fully represented, be content without enjoying that weight and influence in the legislature, to which they conceive they are entitled. He then read the proposition, which he intended to offer as a clause to be incorporated in the bill, when it shall be committed to a committee of the whole.

Mr. JACKSON

Said there would not be sufficient time allowed to complete the enumeration; and objected to it, particularly as it proposed the president of the United States shall determine the census of the inhabitants, from the returns he may receive from the marshals, and the ratio of representation on those returns.

Mr. SMITH, (S. C.)

Said, that he objected to the proposition, as he thought it did not allow a sufficient time for the returns to be made. He then mentioned the several periods that must probably elapse, before the business of enumeration could be completed: From which it appeared, that the object of the motion cannot be effected in such a manner, as to make any alteration in the next election proper.

Mr. WHITE

Pointed out the difficulties that would result from such a measure, as some of the states had passed laws to regu-

late the time of elections; and, he presumed, that the legislature never would delegate to any man, or men, the power of determining the ratio of representation.

Mr. LAWRENCE

Said he had no objections to recommit the bill; observing, that it appeared to him the rule, or ratio, of representation ought to be determined, previous to ascertaining the number of inhabitants, as, in all probability, that rule would be adopted with less prejudice and partiality, while the contingencies that may affect it are not known.

Mr. JACKSON

Said he thought this suggestion was an artifice, covered, however, with too thin a veil not to be seen through, it was too unsubstantial to support itself; that point has been already settled by the constitution. He recited the clause that particularly pointed out the number of representatives each state is entitled to elect, previous to any actual enumeration; the constitution, therefore, plainly directs an enumeration, before the ratio of a future representation shall be settled.

Mr. SMITH, (S. C.)

Said, that the ratio of representation was already proposed by congress, in the amendments sent out to the legislatures. He therefore hoped, that nothing would be done to impede the progress and ratification of those amendments.

Mr. SEDGWICK

Said, that when he introduced the proposition, he supposed it was founded upon such fair and equal principles, that he did not anticipate the smallest objection would have been made by any gentleman whatever.

The proposition was simply this; that justice should be done; that a more equal representation should be attempted and effected: If inequalities do exist, and it is very evident they do, can any gentleman object to a remedy?

The motion, for recommitting the bill to a committee of the whole, was put, and carried in the affirmative. Adjourned.

F E B R U A R Y 5.

A memorial of Joseph Henderson, and John Carnes, executors to the estate of Edwards Carnes, deceased, was read, and referred to the secretary of the treasury.

The report, on the memorial of Roger Alden, was taken into consideration, and referred to the committee on appropriations.

The secretary at war, having reported on sundry petitions and memorials referred to him, the report was read, and ordered to lie on the table.

The house then resolved itself into a committee of the whole, on the bill providing for the remission or mitigation of fines, forfeitures, and penalties, in certain cases.

The clause provided, that whenever any person, liable to fine or penalty, or subject to forfeiture, shall petition before judgment is rendered, *and offer to confess judgment for the same*; the judge, with the district attorney, or marshal, may enquire, in a summary manner, into the truth of the allegations in the petition, and if it appears to them, that the fine, &c. was incurred inadvertently, or by casualty, and without fraud, or intent to evade the law, the same may be admitted; saving to the informer, or person seizing the property, the right they have acquired.

Mr. GOODHUE

Said this law would put the man in a worse situation, than if left to his chance upon the action; for, if he confessed judgment, he must lose half his property: It was common, he believed, to extend mercy after conviction.

Mr. LIVERMORE moved to strike out the words, "offering to confess judgment for the same."

Mr. AMES

Said he was indifferent whether the words in the clause were retained or struck out; he wished, however, that the principles of the bill might be well understood: That a strict adherence to rule, even if it should sometimes be attended with rigor, he conceived to be a less evil, than a lax mode of executing the laws; that it may be considered as a great grievance to have frequent recourse to qualified interpretations of the laws. With respect to the revenue, it must strike every person, that a certain rule ought to be maintained in all possible cases; nevertheless, fines, penalties, and forfeitures may be incurred, in such a manner, as may entitle to relief. The object of the bill, he said, was to grant such relief, with the least risk of injuring the revenue, and in such a mode, as that the person offending may receive it as soon as possible.

Mr. SEDGWICK

Was in favor of the motion; and endeavored to demonstrate the injustice of requiring a confession previous to granting relief, as it would violate the feelings of a person conscious of his innocence, besides subjecting him, inevitably, to the forfeiture of one half of his property.

Mr. BURKE

Was for striking out the whole clause; because it held up a temptation for a man to accuse himself, which was contrary to every principle of law. It put him in mind of a story of the celebrated judge Jefferies, who advised a man to confess himself guilty, and to throw himself upon the mercy of the court, and afterwards hanged him.

Mr. WADSWORTH

Stated a case, to shew that this law would render the situation of persons, designed to be relieved by it, much worse than it now is: And would eventually tend to injure the coasting trade.

Mr. LAWRENCE

Observed, that persons absolutely violating the laws, whether intentionally, or through ignorance, would, by process at law, as it now stands, be precluded from all relief; he insisted, therefore, that it was necessary this confession of judgment should accompany the application for relief, in cases designed to be provided for by the bill; without this confession, the application, he said, would appear to be absurd; he was, therefore, opposed to the motion for striking out the words.

Mr. SMITH

Thought, that the person would be better off, to take his chance at law, as was observed by the gentleman from Massachusetts, for in that case, he would have an opportunity of throwing the burthen of the proof on his adversary; he would have the benefit of counsel, and a trial by jury; besides the interlocutory trials, arising from a misnomer, &c.; he therefore conceived this part of the bill, not consonant with the title, for his idea of giving relief was, that the person's case should be better, and not worse.

Mr. STURGIS

Said, he did not conceive the relief proposed to be administered, ought to be considered in the light of mercy, but justice. The mode of relief pointed out in the

bill, however, the circumstances may appear, leaves the sufferer in a situation that no person ought to be liable to, who is not guilty of a violation of the laws intentionally or wilfully; for he is, at any rate, to lose one half of his property. The case stated by the gentleman from S. C. (Mr. Burke) he thought, was very pertinent.

Mr. FITZSIMONS

Said, he hoped, if those words were struck out, that the whole clause would be erased, and that a more equitable mode would be pointed out. He adverted to the practice in England, where, after a trial, application for relief is made to the commissioners.

Mr. WHITE

Said, that the gentleman last up had expressed his sentiments, that he had endeavored to digest them in such a manner, as to make an amendment agreeable thereto; but, he found it altogether so inconsistent with the present bill, that he could not possibly, at present, think of having it interwove.

Mr. WADSWORTH

Said, it seemed to be supposed, that the revenue laws were sufficiently plain to be understood; but he conceived this was not the case; because the collectors at the several ports, had put different constructions upon them.

Mr. AMES

Observed, that he had no doubt that when the committee had possessed themselves with a more competent knowledge of the operation, and tendency of the bill, it would meet with approbation. With respect to the offender's losing the half of his property on confession, he observed, that this inconveniency might be prevented, by the person's filing his petition, previous to information being laid, by the person seizing the property: And that, he said, he would always have it in his power to do.

Mr. BURKE

Said, that the bill was so far from affording the relief proposed, it would prove a snare to the citizens; for a confession of guilt, would inevitably involve the loss of one half of his property, whether he merits punishment or not. That instead of holding out relief to him, it invites him to his ruin.

Mr. STONE

Said, there were two considerations with respect to this measure; the first was, whether such a discretionary

power ought to be trusted any where or not? Because, it might do a greater injury to the revenue, than benefit to the individual; and, second, whether if such a trust was necessary, it had not better be made a judicial right, than to leave it to an arbitrary determination, independent of the principles of law? He hoped these two points would be considered before the bill was decided upon.

Mr. Scott

Objected to the bill, upon the grounds already mentioned by other gentlemen; but he had one further reason for disliking it; it was this, that after a man had been convicted, by the verdict of a jury, of a breach of the law, he might avail himself of this act, because it admitted the petition to be presented at any time before judgment is rendered; so the offender might have his petition ready in his pocket, to present to the bench immediately after he had heard the decision of the jury.

The motion for striking out the words, being put, was carried in the affirmative, and the committee rose, and reported the bill, as amended; whereupon, it was ordered to be re-committed to a select committee.

The report of the secretary at war, on the petition of Ezra Smith, was taken into consideration, and after some time spent therein, ordered to lie on the table: Then the house adjourned.

F E B R U A R Y 8.

Mr. speaker laid the following before the house.

S I R,

I take the liberty to trouble you with the enclosed memorial, and must pray you to lay it before the house of representatives. The request which is therein made, will be so consonant with justice, that I cannot doubt of its being granted. Permit me, through you, sir, to make another, which is, that the said memorial may be entered at large on the journals of the house.

I have the honour to be,

with great respect and esteem,

sir, your obedient humble servant,

ROBERT MORRIS.

New-York. Feb. 8, 1790.

To the honorable the speaker of the house
of representatives of the United States.

To the PRESIDENT, the SENATE, and HOUSE of REPRESENTATIVES of the UNITED STATES of AMERICA.

The memorial of ROBERT MORRIS, late superintendent of the finances of the said United States.

Humbly sheweth,

THAT, on the 20th day of June, one thousand seven hundred and eighty-five, and subsequent to your memorialist's resignation of his office of superintendent, the congress passed a resolution in the words following: "Resolved, That three commissioners be appointed to enquire into the receipts and expenditures of public monies, during the administration of the late superintendent of finance, and to examine and adjust the accounts of the United States with that department, during his administration, and to report a state thereof to congress;" which resolution, to persons unacquainted with the nature of the office, and the mode of conducting the business of the department, gave occasion to the supposition, that your memorialist had accounts both difficult and important to settle with the United States, in respect to his official transactions. That though your memorialist foresaw the disagreeable consequences which might result to himself from the diffusion of such an opinion, he, notwithstanding, not only forbore any representation on the subject, but scrupulously avoided every species of interference, direct or indirect, lest it should be imagined, either that he was actuated by the desire of obtaining from congress those marks of approbation, which had, in repeated instances, been bestowed on the servants of the public, or that he feared to meet the proposed investigation. Respect for the sovereign of the United States, concurring with motives of delicacy, to forbid even the appearance of asking, what, if merited, it was to be presumed would be conferred, (as being the proper reward of services, not of solicitation) and a firm confidence in the rectitude of his conduct, leaving your memorialist no inducement to evade any enquiry into it, which it might be thought fit to institute.

That your memorialist taking it for granted, that the reasons which had produced a determination to establish a mode of enquiry into the transactions of the most important office under the government, would have ensured a prosecution of the object, till it had been carried into effect, long remained in silent expectation of the appointment of commissioners, according to the resolution which had been entered into for that purpose. But it has so happened, from what cause your memorialist will not undertake to explain,

that no further steps has ever been taken in relation to it : And your memorialist has remained exposed to the surmises, which the appearance of an intention to enquire into his conduct had a tendency to excite, without having been afforded an opportunity of obviating them. That the unsettled condition of certain accounts of a commercial nature, between the United States and the late house of Willing, Morris, and company, and your memorialist, prior to his appointment as superintendent of the finances, having been confounded with his transactions in that capacity, your memorialist has, in various ways, been subjected to injurious imputations on his official conduct, the only fruits of services, which, at the time they were rendered, he trusts he may, without incurring the charge of presumption, affirm, were generally esteemed both important and meritorious, and were at least rendered with ardor and zeal, with unremitting attention, and unwearied application.

That your memorialist, desirous of rescuing his reputation from the aspersions thrown upon it, came, in the month of October, 1788, to the city of New-York, as well for the purpose of urging the appointment of commissioners to inspect his official transactions, as for that of procuring an adjustment of the accounts which existed previous to his administration. But the first object was frustrated by the want of a sufficient number of members to make a congress; and the last was unavoidably delayed by the preliminary investigations requisite on the part of the commissioner named by the late board of treasury, toward a competent knowledge of the business: That in the month of February, 1789, your memorialist returned to New-York, for the same purposes; but the obstacles which he had before experienced, still operated to put it out of his power to present the memorial which had been prepared by him in October, praying for an appointment of commissioners : That he was therefore obliged to confine himself to measures for the settlement of his accounts, respecting the transactions antecedent to his appointment as superintendent, which he entered upon accordingly, with the commissioner appointed by the board of treasury ; and in which, as much progress as time and circumstances would permit, was made, until the fourth of March last, when that commissioner, conceiving his authority, by the organization of the new government, to have ceased, declined further proceedings, and of course, your memorialist was obliged to wait the establishment of the new treasury department for the further prosc-

cution of that settlement, which has been accordingly resumed, and he hopes will speedily be accomplished. But inasmuch as no mode of enquiry into his official conduct has hitherto been put into operation, and as doubts of its propriety have been raised by an act of the government, your memorialist conceives himself to have a claim upon the public justice, for some method of vindicating himself, which will be unequivocal and definitive. Wherefore, and encouraged by a consciousness of the integrity of his administration, your memorialist is desirous that a strict examination should be had into his conduct, while in office, in order, that if he has been guilty of mal-administration, it may be detected and punished; if otherwise, that his innocence may be manifested and acknowledged. Unwilling, from this motive, that longer delay should attend the object of the resolution which has been recited, your memorialist humbly prays, that an appointment of commissioners may take place, to carry the said resolution into effect. And your memorialist, as in duty bound, will pray, &c.

ROBERT MORRIS.

New-York, Feb. 8, 1790.

Mr. GOODHUE

Presented a petition from sundry inhabitants of Salem, stating, that through a very particular construction of a section in the coasting law, vessels, owned by the citizens of the United States, and as they thought, properly qualified as such, had been obliged to pay the alien duty in some of the southern states, and praying relief or a refund of the duty so paid. Laid on the table.

Several petitions and memorials were read, from persons who had made sundry discoveries, and invented certain machines, praying encouragement, and a securing of the benefits of their inventions. Laid on the table.

On motion of Mr. Sedgwick, the committee of the whole house was discharged from any further discussion of the bill providing for the actual enumeration of the inhabitants of the United States.

It was then voted that the blanks in the bill should be filled up.

The first blank respected the time to be allowed for completing the enumeration, six, four, and three months were proposed.

Mr. SEDGWICK

Said, that as so long a time is to elapse before the assistants are to enter upon the business, the work of preparation

would be completed in such a manner, that he conceived three, two, or even one month would be sufficient.

Mr. WHITE

Said that he was very certain, that in many of the states, two, three, or four months would not be sufficient ; and that six months would be found short enough to complete the enumeration in those states ; in the eastern states, he said, the business might be finished in a much shorter period ; but when the time shall be elapsed, that is allowed by law, and the enumeration is completed in some of the states, and the numbers fully returned, it cannot be supposed that those states, who have not completed their's, should acquiesce in any regulations and establishments founded on so imperfect a statement.

Mr. BURKE

Was in favor of allowing the longest period, on account of the great variety of obstacles and impediments in the way of completing the enumeration within so short a time, even as six months ; and the census, when returned in so incomplete a state, could not be supposed satisfactory ; it would create uneasiness, he said, and might terminate in absolute injustice.

Mr. JACKSON

Adverted to the peculiar circumstances of the southern states, particularly Georgia : and the recent accession of the state of North-Carolina to the union ; the extensiveness of the territory of those states, and the dispersed situation of its inhabitants, and contended that six months would be but a short time to complete the business in.

Mr. MADISON

Observed, that the situation of the several states was so various, that the difficulty of adopting a plan for effecting the business, upon terms that would give general satisfaction, could only be obviated by allowing sufficient time. Some of the states have been accustomed to take the enumeration of their citizens ; others have never done it at all ; to the former, the business will be easy, and may be completed within, perhaps, the shortest period ; in the others, it will be attended with unforeseen difficulties. In addition to these, there is another consideration to be taken into view ; there must be a greater number of assistants employed in the southern states ; there are many contingencies that cannot be provided against ; the assistants may die, and leave the business unfinished ; it may be necessary to appoint others ;

the returns from so many persons, from such extensive districts, will require such a length of time, as leaves no probability that it can be completed in a shorter period than six months.

Mr. SEDGWICK

Said he did not wish to precipitate the business. The equalizing the representation, ought to be a matter of serious concern to every gentleman; it was peculiarly so to the delegation from those states who are so unequally represented; he wished for a full and competent enumeration; and was for allowing full time to complete it in. But there did not appear to him, he said, any force in the objection raised from the contingency of the death of the assistants; the longer the period was, there certainly was the greater probability of such events. And he was clearly of opinion, that extending the period would not conduce to obtaining, finally, so accurate an enumeration.

The question being taken on "six months," it was carried in the affirmative.

The other blanks in the bill were filled up, and it passed the house.

A message was received from the president of the United States, by Mr. Secretary Lear, with the act for giving effect to the laws of the United States, in the state of North-Carolina, and for other purposes; which has received the president's assent and signature.

The house then resolved itself into a committee of the whole, on the state of the union.

Mr. Baldwin in the chair.

The report of the secretary of the treasury, being before them, after a silence which lasted some minutes,

Mr. LIVERMORE asked what part of the report it was expected that gentlemen should speak to? He wished some gentleman, would select such parts as he conceived to be of importance, and submit them to the committee.

Mr. SMITH (S.C.)

Was of opinion, that the committee had better consider the object of the report, in separate points of view, by which means they would be able to go through the investigation, with a greater degree of accuracy, than if they were left to range at large, in the extensive field before them. The report contains objects so various, that it is possible gentlemen may agree, with respect to one, or two, and yet differ on a third: From this consideration, he was induced to suggest

the idea of single and independent resolutions, and had prepared the following; if the manner met the approbation of the committee, he would lay them on the table for consideration. The first, he said, was to the following effect:

Resolved, That congress ought not to adjourn, until they have adopted such measures as will make an adequate provision for the public debt.

Resolved, That in making such provision, no discrimination shall be made, between the original holders of the evidences, and the assignees thereof.

Resolved, That such of the debts of the individual states, as have been incurred by them, during the late war, ought to be assumed by the general government, and like funds provided for them.

Resolved, That the arrearages of interest, on the continental and state debts, ought to be funded, and consolidated with the principal.

Resolved, That the interests to be paid thereon, does not exceed per cent. per annum, for the present.

These motions were severally expressive of objects contemplated in the secretary's report. The last was upon a principle of modification, such as was held out in the plan for reloaning the debt.

If he was seconded, he would lay these resolutions on the table.

Mr. BOUDINOT.

I take it, mr. chairman, we are now in a committee of the whole, on the state of the union, for the purpose of considering a report of the secretary of the treasury, founded on an order of this house, given at their last session; our business, therefore, is to contemplate the debt of the union; and to devise the proper measures to be pursued in regard thereof. In the first instance, then, we are to consider the nature of the debt; and, in the second, whether we will fund it in the manner proposed in the report on the table, or in what other way it shall be done.—I apprehend, sir, we pledged ourselves to do this, when we resolved that an adequate provision for the support of public credit, was a matter of high importance to the national honor and prosperity: We have since that, given a solemn assurance, in our address to the president, that this subject shall be among the first to engage our attention. Having, therefore, proceeded so far in this business, there can be little debate with respect to the first resolution proposed by the gentleman from South-Carolina, (mr. Smith.)

We are bound, mr. chairman, by every principle of honor, of interest, and of policy, to look this subject in the face: And in doing this, sir, let us advert to the origin of our debt, and view the end it was intended to answer. Perhaps a small portion of our time may be well spent, in recalling to our recollection the peculiar situation of these United States, at that period. But I find the pourtrait better drawn, in an address of the late congress, of May, 1789, than I can express it; I will therefore give it to you in their own language.

He here proceeded to read the address: In the first place, it represents the then situation of affairs. America, without arms, ammunition, discipline, revenue, government, or ally; almost totally stripped of commerce, and in the weakness of youth, as it were, with a "staff and a sling," only dared, "in the name of the Lord of Hosts," to engage a gigantic adversary, prepared at all points, boasting of his strength, and of whom mighty warriors "were greatly afraid."

For defraying the expence of this uncommon war, your representatives in congress were obliged to emit paper money; an expedient that you knew to have been, before, generally and successfully practised on this continent.

They were very sensible of the inconveniencies with which too frequent emissions would be attended, and endeavored to avoid them. For this purpose, they established loan-offices, so early as in October 1776; and have, from that time to this, repeatedly and earnestly solicited you to lend them money on the faith of the United States. The sums received on loan have, nevertheless, proved inadequate to the public exigencies. Our enemy, prosecuting the war, by sea and land, with implacable fury, and with some success; taxation at home, and borrowing abroad, in the midst of difficulties and dangers, were alike impracticable: Hence the continued necessity of new emissions.

The address goes on, and points out other causes of these emissions, which it was impracticable for congress to redress at that time, but which they recommend now to be done. We are persuaded, (say they) you will use all possible care to make the promotion of the general welfare, interfere as little as may be with the ease and comfort of individuals; but, though the raising these sums should press heavily on some of our constituents; yet the obligations we feel to your venerable clergy, the truly helpless widows and orphans, your most gallant, generous, meritorious officers and sol-

diers, the public faith, and the commonweal, so irresistibly urge us to attempt the appreciation of your currency, that we cannot withhold obedience to those authoritative sensations.

On this subject we will only add, that as the rules of justice are most pleasing to our infinitely good and gracious Creator, and an adherence to them most likely to obtain his favor, so they will ever be found to be the best and safest maxims of human policy.

To our constituents, we submit the propriety and purity of our intentions, well knowing they will not forget that we lay no burthens upon them, but those in which we participate with them; a happy sympathy that pervades societies, formed on the basis of equal liberty.—Many cares, many labors, and, may we not add, reproaches, are peculiar to us: These are the emoluments of our unsolicited stations; and with these we are content, if you approve our conduct: If you do not, we shall return to our private condition, with no other regret, than that which will arise from our not having served you as acceptably, and as essentially, as we wished, and strove to do, though as cheerfully and faithfully as we could.

They then proceed to detail the advantages arising from an alliance formed between the king of France and these United States; and observe, that when unprepared, undisciplined, and unsupported, you opposed their fleets and armies, in full conjoined force, then, if at any time, was conquest to be apprehended: Yet, what progress towards it have their violent and incessant efforts made? Judge from their own conduct. Having devoted you to bondage, and after vainly wasting their blood and treasury, in the dishonorable enterprise, they deigned, at length, to offer terms of accommodation, with respectful addresses, to that once despised body, the congress, whose humble supplications, *only* for peace, liberty, and safety, they had contemptuously rejected, under pretence of its being an unconstitutional assembly. Nay, more desirous of seducing you into a deviation from the paths of rectitude, from which they had so far, and so rashly wandered, they made most specious offers, to tempt you into a violation of your faith, given to your illustrious ally. Their arts were as unavailing as their arms. Foiled again, and stung with rage, embittered by envy, they had

no alternative, but to renounce an inglorious and ruinous controversy, or to resume their former modes of prosecuting it. They chose the latter. Again the savages are stimulated to horrid massacres of men, women, and children, and domestics to the murder of their masters. Again our brave and unhappy brethren are doomed to miserable deaths, in goals and prison-ships. To complete the sanguinary system, all the "extremities of war" are, by authority, denounced against you.

Piously endeavor to derive this consolation from their remorseless fury, that "the Father of mercies" looks down with disapprobation on such audacious defiance of his holy laws; and be further comforted, with recollecting, that the arms assumed by you, in your righteous cause, have not been sullied by any unjustifiable severities.

Your enemies despairing, however, as it seems, of the success of their united forces against our main army, have divided them, as if their design was to harraßs you, by predatory, desultory operations. If you are assiduous in improving opportunities, Saratoga may not be the only spot on this continent, to give a new denomination to the baffled troops of a nation, impiously priding herself in notions of her omnipotence.

Rouse yourselves, therefore, that this campaign may finish the great work you have so nobly carried on for several years past. What nation ever engaged in such a contest, under such a complication of disadvantages, so soon surmounted many of them, and, in so short a period of time, had so certain a prospect of a speedy and happy conclusion? We will venture to pronounce, that so remarkable an instance exists not in the annals of mankind. We well remember what you said at the commencement of this war. You saw the immense difference between your circumstances and those of your enemies; and you knew the quarrel must decide on no less than your lives, liberties, and estates. All these you greatly put to every hazard, resolving rather to die freemen, than to live slaves; and justice will oblige the impartial world to confess, that you have uniformly acted on the same general principle. Consider how much you have done, and how, comparatively, little remains to be done to crown you with success. Persevere, and you ensure peace, freedom, safety, glory, sovereignty, and felicity to yourselves, your children, and your childrens children.

Encouraged by favors already received from Infinite Goodness, gratefully acknowledge them, earnestly imploring their continuance, constantly endeavoring to draw them down on your heads, by an amendment of your lives, and a conformity to the Divine will, humbly confiding in the protection, so often and so wonderfully experienced; vigorously employ the means placed by Providence in your hands for completing your labors.

Fill up your battalions; be prepared in every part to repel the incursions of your enemies; place your several quotas in the continental treasury; lend your money for public uses; sink the emissions of your respective states; provide effectually for expediting the conveyance of supplies for your armies and fleets, and for your allies; prevent the produce of your country from being monopolized; effectually superintend the behavior of public officers; diligently promote piety, brotherly love, learning, frugality, and moderation; and may you be approved, before Almighty God, worthy of those blessings we devoutly wish you to enjoy.

This being the situation of our country, congress, in the September following, called on the citizens for loans, and for taxes, and pledged the United States for the ultimate redemption of the principal, and the intermediate punctual payment of the interest: They then take up the subject of finance under three different heads.

First. Whether, and in what manner, the faith of the United States has been pledged for the redemption of their bills?

Second. Whether the United States have put themselves in a political capacity to redeem their bills? This is a question which calls for more full discussion.

Our enemies, as well foreign as domestic, have labored to raise doubts on this head. They argue, that the confederation of the states remains yet to be perfected; that the union may be dissolved, congress be abolished, and each state, resuming its delegated powers, proceed, in future, to hold and exercise all the rights of sovereignty appertaining to an independent state. In such an event, say they, the continental bills of credit, created and supported by the union, would die with it. This position being assumed, they next proceed to assert this event to be probable; and, in proof of it, urge our divisions, our parties, our separate interests, distinct manners, former

prejudices, and many other arguments, equally plausible, and equally fallacious. Examine this matter.

For every purpose, essential to the defence of those states in the progress of the present war, and necessary to the attainment of the objects of it; these states now are as fully, legally, and absolutely confederated, as it is possible for them to be. Read the credentials of the different delegates who composed the congress in 1774, 1775, and part of 1776, you will find that they establish an union for the express purpose of opposing oppressions of Britain, and obtaining redress of grievances. On the 4th of July 1776, your representatives in congress, perceiving that nothing less than unconditional submission would satisfy our enemies, did, in the name of the people of the thirteen United Colonies, declare them to be free and independent states, and, "for the support of that declaration, with a firm reliance on the protection of the Divine Providence, did mutually pledge to each other, their lives, their fortunes, and their sacred honor." Was ever confederation more formal, more solemn, or explicit? It has been expressly assented to, and ratified by every state in the union. Accordingly, for the direct *support* of this declaration, that is, for the support of the independence of these states, armies have been raised, and bills of credit emitted, and loans made to pay and supply them. The redemption, therefore, of these bills, the payment of these debts, and the settlement of the accounts of the several states, for expenditures or services for the common benefit, and in this common cause, are among the objects of this confederation; and consequently, while all or any of its objects remain unattained, it cannot, so far as it may respect such objects, be dissolved, consistent with the laws of God or man.

Third. Whether, admitting the ability, and political capacity of the United States to redeem their bills, there is any reason to apprehend a wanton violation of the public faith?

It is with great regret and reluctance, that we can prevail upon ourselves to take the least notice of a question, which involves in it a doubt so injurious to the honor and dignity of America.

The enemy, aware that the strength of America lay in the union of her citizens, and the wisdom and integrity of those to whom they committed the direction of

their affairs, have taken unwearied pains to disunite and alarm the people, to depreciate the abilities and virtue of their rulers, and to impair the confidence reposed in them by their constituents. To this end, repeated attempts have been made to draw an absurd and fanciful line of distinction, between the congress and the people, and to create an opinion, and a belief, that their interests and views were different and opposed. Hence, the ridiculous tales, the invidious insinuations, and the whimsical suspicions, that have been forged, and propagated by disguised emissaries, and traitors, in the garb of patriots. Hence has proceeded the notable discovery, that as congress made the money, they also can destroy it; and, that it will exist no longer than they find it convenient to permit it. It is not surprising, that in a free country, where the tongues and pens of such people are, and must be licensed, such political heresies should be inculcated and diffused; but it is really astonishing, that the mind of a single virtuous citizen in America, should be influenced by them. It certainly cannot be necessary to remind you, that your representatives here, are chosen from among yourselves, that they are sent to speak your sentiments, and that it is constantly in your power to remove such as do not. You surely are convinced, that it is no more in their power to annihilate your money; than your independence, and that any act of theirs, for either of these purposes, would be null and void.

We should pay an ill compliment to the understanding, and honor of every true American, were we to adduce many arguments to shew the baseness, or bad policy of violating our national faith, or omitting to pursue the measures necessary to preserve it. A bankrupt faithless republic, would be a novelty in the political world, and appear among reputable nations, like a common prostitute among chaste and reputable matrons. The pride of America revolts from the idea; her citizens know for what purposes these emissions were made, have repeatedly plighted their faith for the redemption of them: They are to be found in every man's possession, and every man is interested in their being redeemed; they must therefore entertain a high opinion of American credulity, who suppose the people capable of believing, on due reflection, that all America will, against the faith, the honor, and the interest of America, be ever prevailed upon

arts of our enemies, will not be wanting to draw us into this humiliating and contemptible situation. Impelled by malice, and the suggestions of chagrin and disappointment, at not being able to bend our necks to their yoke, they will endeavor to force or seduce us to commit this unpardonable sin, in order to subject us to the punishment due to it, and that we may thenceforth be a reproach, and a byè word among the nations. Apprized of these consequences, knowing the value of national character, and impressed with a due sense of the immutable laws of justice and honor, it is impossible that America should think, without horror, of such an execrable deed.

If then, neither our ability, or inclination to discharge the public debt are justly questionable, let our conduct correspond with this confidence, and let us rescue our credit from its present imputations.

They then go on, and point out the means by which this may be done. The war, though drawing fast to a successful issue, still rages. Disdain to leave the whole business of your defence to your ally. Be mindful that the brightest prospects may be clouded, and that prudence bids us to be prepared for every event.— Provide, therefore, for continuing your armies in the field, till victory and peace shall lead them home; and avoid the reproach of permitting the currency to depreciate in your hands, when, by yielding a part to taxes and loans, the whole might have been appreciated and preserved. Humanity, as well as justice, makes this demand upon you, the complaints of ruined widows, and the cries of fatherless children, whose whole support has been placed in your hands, and melted away, have doubtless reached you. Rouse, therefore; strive who shall do most for his country; re-ignite that flame of patriotism, which, at the mention of disgrace and slavery, blazed throughout America, and animated all her citizens.— Determine to finish the contest as you began it, honestly and gloriously. Let it not be said, that America had no sooner become independent, than she became insolvent; or, that her infant glories and growing fame were obscured, and tarnished by broken contracts, and violated faith, in the very hour when all the nations of the earth were admiring, and almost adoring the splendor of her rising.

I conceive, mr. chairman, after duly considering the momentous circumstances I have brought to your attention, there is no man possessed of the principles of common honesty, within the sound of my voice, that will hesitate to conclude with me, that we are bound, by every principle of honor, justice and policy, to fund the debt of the United States, which has been one great means, under heaven, of securing to us our independence. I presume, sir, on this point we shall have no dispute, all that remains, then, for our consideration, is the manner and means for accomplishing it.

We must view it as a debt of honor, from the nature of the contract, from the objects effected, and the happy state we are now in. The principles of interest calls loudly upon us to complete the business so happily begun; the secretary, in the report before us, observes, with great justice, that exigencies are to be expected to occur in the affairs of nations, in which there will be a necessity for borrowing, and particularly in a country like this, possessed of little monied capital: How much then is it our interest to secure our public credit on a stable and sure foundation? Beside this, it is our interest in another point of view; by this means, we shall introduce a medium into circulation, which will give a spring to the agriculture, commerce and manufactures of the union.

Our policy also guides us into the adoption of some such measure as is proposed in the report; a punctual performance of our public engagements, will invite monied men, in the day of distress, to lend us every pecuniary aid.

Our debt undoubtedly is large, but not so large as might have been reasonably expected, considering the magnitude of the object we have successfully accomplished; but, it can by no means be considered so large as to prevent us from an attempt to discharge the same.

Let us then adopt the motion now on your table, or something like it; not perhaps immediately, because it might be supposed to preclude that discussion which the subject requires, as the most important that has, or can come before us.

Mr. FITZSIMONS

Had the same idea with the gentleman from South-Carolina (mr. Smith) that the attention of the commit-

tee ought to be confined to specific objects; with this view he had endeavored to collate, and render perspicuous the great outlines of the secretary's plan; they were more particular than those laid on the table, though they were substantially the same. He wished to be understood, that if the committee inclined to take them into consideration, he did not mean to bind himself to support them, by the part he had taken in bringing them forward.

He then read them, as follows :

Resolved, That adequate provision ought to be made for fulfilling the engagements of the United States, in respect to their foreign debt.

Resolved, That permanent funds ought to be appropriated for the payment of interest on, and the gradual discharge of the domestic debt of the United States.

Resolved, That the arrears of interest, including incidents, issued in payment thereof, ought to be provided for, on the same terms with the principal of the said debt.

Resolved, That the debts of the respective states ought, with the consent of the creditors, to be assumed and provided for by the United States.

Resolved, That it is advisable to endeavor to effect a new modification of the domestic debt, including that of the particular states, with the voluntary consent of the creditors, by a loan, upon terms mutually beneficial to them and to the United States.

Resolved, That for the purpose expressed in the last preceding resolution, subscriptions, toward a loan, ought to be opened, to the amount of the said domestic debt, including that of the respective states, upon the terms following, to wit :

That for every hundred dollars subscribed, payable in the said debt (as well interest as principal) the subscriber be entitled, at his option, either

To have two-thirds funded, at an annuity, or yearly interest of six per cent. redeemable at the pleasure of the government, by payment of the principal; and to receive the other third in lands in the Western Territory, at the rate of twenty cents per acre. Or,

To have the whole sum funded, at an annuity or yearly interest, of four per cent. irredeemable by any pay,

ment exceeding five dollars per annum, on account both of principal and interest; and to receive, as a compensation for the reduction of interest, fifteen dollars and eighty cents. payable in lands, as in the preceeding case. Or,

To have sixty-six dollars and two-thirds of a dollar funded immediately, at an annuity or yearly interest of six per cent. irredeemable by any payment exceeding four dollars and two-thirds of a dollar per annum, on account both of principal and interest; and to have, at the end of ten years, twenty-six dollars and eighty-eight cents, funded at the like interest and rate of redemption. Or,

To have an annuity for the remainder of life, upon the contingency of living to a given age, not less distant than ten years, computing interest at four per cent. Or,

To have an annuity for the remainder of life, upon the contingency of the survivorship of the youngest of two persons, computing interest, in this case also, at four per cent.

Resolved, That immediate provision ought to be made for the present debt of the United States; and that the faith of government ought to be pledged to make provision, at the next session, for so much of the debts of the respective states, as shall have been subscribed upon any of the terms expressed in the last resolution.

Resolved, That the funds which shall be appropriated, according to the second of the foregoing resolutions, be applied, in the first place, to the payment of interest on the sums subscribed towards the proposed loan; and that, if any part of the said domestic debt shall remain unsubscribed, the surplus of the said funds be applied, by a temporary appropriation, to the payment of interest on the unsubscribed part, so as not to exceed, for the present, four per cent. per annum; but this limitation shall not be understood to impair the right of the non-subscribing creditors to the residue of the interest on their respective debts: And in case the aforesaid surplus should prove insufficient to pay the non-subscribing creditors, at the aforesaid rate of four per cent. that the faith of government be pledged to make good such deficiency.

Mr. PAGE requested the report of the secretary to be read, as it was the ground work of the business they were in committee upon; and he requested gentlemen to offer

their motions, when the part of the report to which they related was under consideration.

After the reading of the report, the committee rose and reported progress. Adjourned.

FEBRUARY 9.

Mr. GOODHUE moved, that the memorial of the inhabitants of the town of Salem, be taken up for a second reading; and after being read a second time, was referred to the secretary of the treasury.

Mr. BENSON presented the memorial of brigadier-general Donald Campbell, praying that an investigation of his claims against the United States may be made.

Mr. BOUDINOT presented a petition from the contractors for carrying the mail through New-Jersey, which was read, and referred to the committee appointed to take into consideration the regulation of the post-office.

The house resolved itself into a committee of the whole, on the state of the union.

Mr. BALDWIN in the chair.

Mr. SMITH withdrew his motion of yesterday, in order to make room for Mr. Fitzsimons's.

Mr. JACKSON objected to receiving the whole of those resolutions, lest it should be inferred that the committee bound themselves to adopt them.

Mr. FITZSIMONS

Said he had declared his intentions to the committee yesterday, when he brought them forward; he would repeat them again; he meant that the committee should have some systematic plan of proceeding before them, to consider and decide on each resolution singly; but he by no means intended the resolutions, if admitted, to be binding on any member; he did not mean to pledge even himself to support them all.

Mr. JACKSON was satisfied to go into the consideration of them on these terms:

The first resolution being read, to wit, "Resolved that adequate provision ought to be made for fulfilling the engagements of the United States, in respect to their foreign debt."

Mr. STONE moved to amend it, by striking out the words "in respect to their foreign debt," and then modify the next resolution, by striking out the word "domestic."

After some suspense, this motion not being seconded, the question was taken on the first resolution, which was carried in the affirmative unanimously.

The second resolution was then read, to wit, "Resolved that permanent funds ought to be appropriated for the payment of interest on, and the gradual discharge of the domestic debt of the United States.

Mr. JACKSON.

Believe me, mr. chairman, I have as high a sense of the obligation we are under to the public creditors, and feel as much gratitude toward them, as any man on this floor : I shall ever cheerfully acknowledge the duty we owe to our benefactors, and, in a peculiar manner, to those brave soldiers, who, at the risk of their lives and fortunes, secured the independency of America. I have also the most sincere wishes for the re-establishment of public credit, and that upon firm and solid ground, and on principles which cannot be called in question : But there appears to me a previous question, which has not yet been brought forward ; it is this, whether there exists an immediate necessity of funding the national debts, or not, in the permanent manner proposed ?

The high regard I have for the nature and circumstances of the foreign debt, induced me to let the first proposition pass without any animadversion. The vote which has been taken on that point, will serve to shew foreigners that we are concerned to preserve our credit with them, by a rigid performance of our stipulations ; trusting, at the same time, that our fellow citizens cannot object to a distinction so just and proper in itself ; for, notwithstanding what the domestic creditors may say, it is the money of foreigners, that has, in a great measure, established our independence.

It is doubted, with me, whether a permanent funded debt, is beneficial or not, to any country ; some of the first writers in the world, and who are most admired on account of the clearness of their perceptions, have thought otherwise ; and declared, that wherever funding systems have been adopted in a government, they tend more to injure posterity than they would injure the inhabitants to pay the whole debt at the time it was contracted : This principle, I apprehend, is demonstrated by experience ; the first system of the kind, that we have an account of, originated in the state of Florence, in the year 1334 ; that government then owed about 60,000 sterling, and being unable to pay it, formed the principal into a funded debt, transferable, with interest, at 5 per cent. : What is the situation of Florence in consequence of this event ? Her ancient importance is annihilated. Look at Genoa and Venice, they adopted a similar

policy, and are the only two of the Italian republics who can pretend to an independent existence ; but their splendor is obscured ; they have never been able, since the period at which a funding system was introduced, to raise themselves to that formidable state in which they were before. Spain seems to have learned the practice from the Italian republics, and she, by the anticipation of her immense revenue, has sunk her consequence beneath that level which her natural situation might have maintained. France is considerably enfeebled, and languishes under a heavy load of debt. England is a melancholy instance of the ruin attending such engagements : In the reign of king William, 1706, the policy of the English parliament, laid the foundation of what is called the national debt ; but the sum was inconsiderable ; it little exceeded 5,000,000 sterling ; the example then set, has been closely followed : In 1711, it amounted to 9,177,769 sterling, during the wars in the reign of queen Anne ; since that, the capital of the debt of Great Britain amounted, in 1777, to about 136,000,000 sterling ; and to such a pitch has the spirit of funding and borrowing been carried in that country, that in 1786, the national debt there had increased to 230,000,000 sterling ; a burthen the most sanguine mind can never contemplate they will ever be relieved from. If future difficulties should involve that nation still further, what must be the consequence ? The same effect must be produced that has taken place in other nations ; it must either bring on a national bankruptcy, or annihilate her existence as an independent empire : Hence I contend, sir, that a funding system, in this country, will be highly dangerous to the welfare of the republic ; it may, for a moment, raise our credit, and increase the circulation, by multiplying a new species of currency ; but it must, in times afterward, settle upon our posterity, a burthen which they can neither bear nor relieve themselves from. It will establish a precedent in America, that may, and in all probability will, be pursued by the sovereign authority, until it brings upon us that ruin which it has never failed to bring, or is inevitably bringing upon all the nations of the earth, who have had the temerity to make the experiment. Let us take warning by the errors of Europe, and guard against the introduction of a system followed by calamities so universal. Though our present debt be but a few millions, in the course of a single century, they may be multiplied to an extent we dare not think of ; for my part, I would rather have direct taxes imposed at once,

which, in the course of a few years, should annihilate the principal of our debt : A few years exertion, in this way, will prevent our posterity from a load of annual interest, amounting to the fifth, or perhaps the half of the sum we are now under engagements to pay.

But why, mr. chairman, should we hasten on this business of funding? Are our debts ascertained? The report of the secretary of the treasury proposes, that we should not only fund the debts, that are ascertained, but the unliquidated and unsettled debts, due from the continent ; nor does the plan stop here; it proposes that we should assume the payment of the state debts, debts, to us, totally unknown : Many of the states, sir, have not yet ascertained what they owe; and if we do not know the amount of what we are, or are to be, indebted, shall we establish funds? Shall we put our hands into the pockets of our constituents, and appropriate monies for uses we are undetermined of? But more especially shall we do this, when in doing it, it is indisputably certain, that the incumbrance will more than exceed all the benefits and conveniencies? Gentlemen may come forward, perhaps, and tell me, that funding of the public debt will increase the circulating medium of the country, by means of its transferable quality; but this is denied by the best informed men: They occasion enormous taxes, for the payment of the interest: These taxes hurt both agriculture and commerce. It is charging the active and industrious citizen, who pays his share of the taxes, to pay the indolent and idle creditor who receives them, to be spent and wasted in the course of the year, without any hope of a future reproduction; for the new capital which they acquire must have existed in the country before, and must have been employed, as all capitals are, in maintaining productive labor. Thus the honest, hard working part of the community, are adding to the ease and luxury of men of wealth; such a system may benefit large cities, like Philadelphia or New-York, but the remote parts of the continent may not feel the invigorating warmth of the American treasury; in the proportion that it benefits one, it depresses another.

But let me return to the question; does it not require, mr. chairman, I say again, that we should be ascertained of the debt, we owe, before we proceed any further in the business? If gentlemen deny this, let me bring forward the old argument: North-Carolina has acceded to the union; she is a state of no inconsiderable importance; she has an equal right to a voice on this important business, with any state in

the union ; but she is not represented here, while we are funding the debts, not of ten or eleven states only, but a debt in which she must participate according to her proportion of representation ; she may urge, that we have no right to assume, or transfer her particular debt, from her own, on to other shoulders ; at least, after the declaration she has made, there is a delicacy in doing it without her presence. Things like these, pressed, without allowing time for deliberation, may justly give umbrage to all who are concerned for the independent privileges and sovereignty of the societies confederated under this government ; it may rouse the spirit of discord, and sound the alarm, at a time when unanimity, or mutual forbearance is so requisite. Will all the states be satisfied that congress should assume their debts, under a pretext of easing them ? When it must be well known, that the general government will thus have it in its power to call upon them, to discharge the obligation, in an evil day, when they are unprepared. We know nothing of the future circumstances which may take place, or how far this government may attempt to depress, or injure individual states ; we ought to guard, with the greatest degree of caution, against every danger of such a nature.

Under these impressions, sir, I am led to conclude, that it is becoming the wisdom of congress to postpone the consideration of the remaining propositions ; let us endeavor to discover, whether there is an absolute necessity for adopting a funding system, or not ; if there is no such necessity, a short time will make it apparent ; and let it be remembered what funds the United States possess in their Western Territory : The disposal of those lands, may, perhaps, supercede the necessity of establishing a permanent system of taxation. The secretary of the treasury is directed to report on this head, to the house, and perhaps that report may shew us, that this property is likely to be more productive than we at present apprehend ; these considerations induced me to wish, that the further consideration be postponed for the present.

Mr. SHERMAN.

The motion, before the committee, relates to the second resolution : The objects brought into view, by the gentleman last up, are many of them unconnected with it, though they are severally objects of great importance. I think, whatever doubts there may be with respect to the advantage or disadvantage of a public debt, we can none of us hesitate to de-

cide, that provision of some kind ought to be made, for what we have already incurred : It is true, if we were now about to borrow money, it would be highly prudent to consider, whether the anticipation should not be repaid by a speedy collection of taxes, or duties to the amount ; but when a debt is acquired, beyond our present ability to discharge, we ought to make some provision for its gradual extinction, but, in the interim, we ought to pay punctually the interest ; now, this resolution goes no further.

Some of the propositions which follow, go further than this ; they propose perpetual annuities, and talk of irredeemable stock ; now, this is more than I am willing to agree to, because I think it prudent for us to get out of debt as soon as we can : But then I do not suppose we can raise money enough to pay off the whole principal and interest in two, three, or ten years. If I am right in this, we ought to agree to some mode of paying the interest in the interim.

Mr. SMITH, (S. C.)

The report of the secretary of the treasury contains a proposition for the establishment of a sinking fund. I wish the gentleman who brought forward the resolutions under consideration, had included that part of the system in his propositions, as it might have had a tendency to ease the mind of the honorable gentleman from Georgia, and to have shewn him, that the public debt was not intended to acquire the permanency which he dreads. If our present debt cannot be paid off at once, all that can be done is to provide such funds for its gradual extinction as will morally ensure the object.

The gentleman has contended, that public funding is a public injury ; I agree with him, that funding a debt, to a very great amount, may be very injurious ; yet, funding a small debt is beneficial. But whether this is, or is not a fact, is not the object of our present enquiry ; we are not in a situation to determine whether we will, or will not, have a public debt ; 'tis already acquired, and it appears, to me to be a matter of necessity, that we should appropriate some funds for the payment of the interest thereon. When we consider the nature of the contract, for what it is we owe the money, and our ability to comply, it follows, of consequence, that we must pay ; it follows as close as the shadow follows its substance, or as close as the night does the day. The only question that can come before us, is the mode of doing it.

With respect to that part of our debt which is yet unascertained, I would just beg leave to observe, that it is not our fault that it remains in an unsettled state ; neither is it the fault of those who have brought in their accounts, and had them liquidated : Hence it appears to me extremely hard, that we should refuse to provide for the payment of those whom we acknowledge ourselves to be indebted to ; because there are others whose claims against us are not yet adjusted. The argument, therefore, which relates to this point, as well as that which relates to the western territory, will apply ten years hence as well as now, and form an eternal pretext for deferring the business.

Mr. JACKSON

Begged the committee would not understand him, that he was against paying the debts of the United States ; he had no such object in view : The sinking fund alluded to by the gentleman from South-Carolina, had not escaped his attention ; but he very much doubted, whether it ought to be relied on to effect the purpose he had in view. He believed sinking funds were generally considered as a kind of stand-by, or subsidiary fund, always at hand to be mortgaged, when money was proposed to be raised on any exigency of the state. He conceived the committee were precipitating the business, for the reason he before assigned ; he would therefore endeavor to obtain their sense on this point, by moving that the committee rise.

This motion being seconded, it was put, and lost by a considerable majority.

Mr. STONE

Supposed, that this resolution did not bring forward the question, whether we were to have a permanent funding system or not, it only proposed something for the payment of the interest, and discharging the principal as fast as we could ; but he would be glad to know what was the sense of the committee on this point.

Mr. BLAND

Enquired, why there was a difference in the wording of the two first resolutions ? It appeared to him to lead to that important question, whether the debts of the United States should be funded, on the principles of the report, or not ? If the gentleman, who brought forward the resolutions, would explain his intention, he should be able to judge, whether it would be proper to amend the resolution or not ; it appeared to him to imply that

discrimination was intended, to prevent which it would be proper to change it, so as to read, "Resolved, that adequate provision ought to be made for fulfilling the engagements of the United States, in respect to their domestic debt." Why a discrimination should be made between foreigners and our own citizens, I am at a loss to account; perhaps the necessities of the United States may be urged as a reason: But have we enquired into our capacity to fulfil our engagements, generally or specially? It appears to me that we have voted unanimously to do justice to our foreign creditors, before we made any enquiry into our ability; by this, perhaps, we have deprived the domestic creditor of a full participation in what we are able to perform; if so, it may be a reason why we discriminate against them.

Mr. FITZSIMONS

Said, that the circumstances of the foreign debt were such as left no alteration in our power, according to the plan proposed by the secretary of the treasury; but we have it in our power, and are recommended to make an alteration with respect to the domestic debt. I stated, said he, when I introduced those resolutions, that they were intended to bring the secretary's plan fairly before the committee; this resolution is differently worded on that account; but it may be observed, that the foreign creditors are not here to make a contract with the people of the United States, but the domestic creditors are, and we may hold out a modification to them, to be accepted with their consent. With respect to the means by which we shall be enabled to pay the interest and principal of our debt, this resolution has nothing to do, it leaves to the consideration of the committee, and every gentleman will be perfectly at liberty to propose and support such as he supposes to be most suitable to our abilities.

Mr. BLAND

Then proposed to substitute a resolution respecting the domestic debt, similar to that adopted respecting the foreign debt, if it was in order: He thought it would decide the question, whether there should be a discrimination between the foreign and domestic creditor, and would leave the committee equally free with respect to the means that the one now before the house did?

Mr. LIVERMORE.

I do not clearly understand the import of the resolu-

tion before the committee, it seems worded rather in a doubtful manner ; if it means that funds ought to be appropriated for the payment of the interest and principal of the domestic debt, as the amount appears on the face of the certificates, I shall be totally against it ; whether it pointedly carries that meaning or not I cannot say.

For my part, I consider the foreign and domestic debt to carry with them very material distinctions ; the one is not like a debt, while the other has all the true qualities of one. However gentlemen may think on this subject, there is a great difference between the merits of that debt, which was lent the United States in real money, in solid coin, by disinterested persons, not concerned or benefited by the revolution, and at a low rate of interest ; and in those debts which have been accumulating upon the United States, at the rate of 6 per cent. interest, and which were not incurred for efficient money lent, but for depreciated paper, or services done at exorbitant rates, or for goods or provisions supplied for more than their real worth, by those who received all the benefits arising from our change of condition. It is within the notice and knowledge of every gentleman, that a very considerable part of our domestic loan-office debt arose in this manner ; it is well known, that loan-office certificates were issued as a kind of circulating medium, when the United States were in such straits for cash, that they could not raise the necessary supplies in any other way ; and it is very well known, that those who sold goods or provisions for this circulating medium, raised their prices from six shillings to ten shillings at least.

There is another observation I would beg leave to make. The prices, at which our supplies were procured, were such, even in hard money, that it might be said specie had depreciated, or what amounted to the same thing, the commodities were sold for more than they ought to have fetched ; in many cases, half the price would now purchase the same thing ; if so, there is as much reason that we should now consider these public securities in a depreciated state, as every holder of them has considered them from that time to this. There was a period at which they were considered of no greater value than three or four shillings in the pound ; at this day, they are not more than eight or ten. If this then is the case, why should congress put it upon the same footing as the foreign debt,

for which they received a hard dollar for every dollar they engaged to pay? Could any possible wrong be done those who hold the domestic debt? I do not speak of those only who have speculated in certificates, but with respect to them, I do not see how a difference can be made; by the resolutions of congress, and from the face of the papers, it appears that they were transferrable.

It may be said, that there was some part of the domestic debt incurred by loans of hard money; there might be a small part lent in this way, but it is very small indeed, compared with the whole of the domestic debt; it is well in the memory of every gentleman, that, before the beginning of this revolution, every state issued paper money, it answered the exigencies of government in a considerable degree. The United States issued a currency of the same nature, which answered their purposes, except in some particular cases, and those were effected by loans of certain sums of hard money; if any distinctions are to be made among the domestic creditors, it ought to be in favor of such only, and that in consequence of the origin of the debt; while the great mass given for the depreciated paper, or provision sold at double price, ought to be liquidated to its real value. I cannot think it injustice to reduce the interests on those debts: I should therefore be against passing this resolution, if it carries in it the idea of paying the principal and interest, according to the face of the paper. It is well known, that a large proportion of this domestic debt was incurred for paper money lent; to be sure congress acknowledged its value equal to its name, but this was done on a principle of policy, in order to prevent the rapid depreciation which was taking place; but, money that was lent in this depreciated and depreciating state, can hardly be said to be lent from a spirit of patriotism; it was a mere speculation in public securities; they hoped, by putting their money into the loan-office, though in a depreciated state, to receive hard money for it by and by: I flatter myself this prediction will never be effected.

The secretary of the treasury has offered some alternatives to the creditors, out of which they may make their election; but, it seems to me, that they all of them propose a reduction in the principal or interest, that they may have an annuity for two-thirds, at six per cent. or for the whole sum at four per cent. or they may accept

of the other terms. Though this may make a reduction favorable to the public, yet this is not such a reduction as justice, in my opinion, requires; and as the resolution before the committee, is intended to make way for the adoption of those principles, I shall vote against it; though I would rather it was passed over for the present, in order to see what was the sense of the house, on making a specific provision for the payment of the debt.

Mr. BLAND.

If we go into a discussion on the merits of the public creditors, I am clearly of opinion, we shall never know where to stop: It would be impossible to fix a satisfactory point for the discrimination to stand at. My motive for rising, as I did, was to settle the principle, and I am not afraid of facing it. I am one of those who will go as far as any man in fulfilling, to the utmost of our power, every public contract, and paying to the utmost farthing the *bona fide* debts of the United States.

When we speak of the difference between the foreign and domestic debt, are we aware of what we talk? Have the securities changed hands by the transfers which have taken place? The foreign debt is now become, in part, the property of the citizens of the United States, and a great part of the domestic debt is alienated to foreigners; where then is the discrimination? Are not the monies for the payment of the principal or interest of both, to come out of the same treasury and resources? If these are facts, why shall we hesitate to declare that we will make equal provision for all? This is my object; it is not to enquire, whether we have made with the one favorable, with the other, unfavorable contracts? Because what is done, cannot be remedied. If I am seconded in bringing forward the object, which my motion had in view, I shall be glad to attend to the discussion; but if not, I shall sit down contented.

Mr. PAGE

Was glad, that the question had been asked the mover of the propositions on the table, what was the object of the resolution now under consideration, because it was liable to be misunderstood; but now, he presumed, the answer had satisfied every gentleman's mind.

The gentleman from New-Hampshire, was pleased to observe, that foreigners were not interested in the late revolution; that what they did was from such

motives as demanded our gratitude ; but, our citizens were deeply interested, and I believe, if they were never to get a farthing for what is owing to them for their services, they would be well paid ; they have gained what they aimed at ; they have secured their liberties and their lives ; they will be satisfied, that this house has pledged itself, to pay to foreigners the generous loans they advanced us in the day of distress. If we were to make distinctions, adverse to their interests, we could never expect from them a further favor in the future exigencies of this country. But we may also look with confidence at home for loans and services ; on such occasions they will be supplied us on the principles of patriotism ; the adoption of the first resolution was therefore politic and just ; but the motion of my worthy colleague is not necessary. I feel for my fellow citizens, who have gloriously exerted themselves in the salvation of their country by their services in the field, or the supplies which they yielded, as much as man can do. I acknowledge the debt of gratitude the community owe to those select citizens, and am willing to pay it as far as we possibly can ; but they cannot, they will not complain of the deference we have shewn others, whose particular situation merited such regard at our hands.

Mr. SCOTT.

I find myself obliged to consider the government of the United States in a very different situation, with respect to our foreign and domestic creditors ; with respect to the foreign debt, we, the representatives of the United States, are vested with full power, and we are bound in duty to provide for the punctual payment according to the nature of the contract : But, when I turn my eyes to the domestic debt, I find myself in a very different situation. I conceive myself a mere arbiter, among the individuals of which the union is composed. A part of the people have a claim upon somebody ; I think that claim is against the people at large, and we are not only to provide for the payment of that claim, if just, but to determine, if that claim is just or not ; one part of the community applies to us to recover of the other what is due to it ; the other says, the debt is too large, it is more than is justly due ; you must try and determine between us, and say, what part is just, and what is not ; this brings clearly into my view the whole subject, as a

thing within the power of congress to new model or modify it, if we find that justice demands it; but we have no such authority with respect to the foreign debt; it is very clear to me, that we have the power to administer justice and impartiality among the members of the union; and this will lead me freely to assert, that we have not only authority, but it is our duty, if, on examination, we find that not more than half the sum that is claimed, is justly claimed, to strike off the other half. If we find, on full investigation, that the whole is just, we must, no doubt, provide for the payment of it; in such sort as to do complete justice, which of these may be found to be the case in reality, when well examined, I will not pretend to say; but, at any rate, we are in the dark at present, inasmuch as we do not know the real amount. We cannot say, whether it is possible for us to pay it; we cannot know whether it is just or not, until we know what the claim is, as to quantity and quality. I do believe we are now walking on the brink of a precipice, that will be dangerous for us to step too fast upon.

I wish the subject to be duly considered; I wish every man in this house was of the same opinion with me, in one respect, that we are judges to determine matters of right and equity, we are, in fact, as a court of law; can we propose to decide with wisdom, whether the claims are just or not until the claims are exhibited? I presume we cannot. I am clear for going into the consideration of a resolve of the kind now before us when these doubts are removed from my mind. Rationally, I cannot consider in what manner the debt can be paid, until these points are settled; I do not perceive how we can say any thing about it; perhaps the resolutions might be worded in such a way as to give all the credit to the public securities, which they could derive from a more precise funding system, while, at the same time, sufficient room should be left for settling the great points, which I have in contemplation. I have no idea, mr. chairman, that these securities can be raised to their nominal value by the most explicit vote of this house; I do not believe they can acquire that stability which some gentlemen imagine. I am led to view the subject in this light from experience: I have seen within a few days, a warrant

from the treasury, not to mention too particularly the sum, that would lead to the discovery of the circumstance I am about to mention; I shall say, the warrant was for one hundred dollars, payable in the month of March, it was sold for eighty dollars cash, here was a loss of twenty dollars, of one-fifth of the whole, upon a note, which neither the seller nor buyer could suppose would be refused punctual payment; now, if this is the case with public debts of such a certain nature, we cannot reasonably expect, that funding our debts will raise the public securities to any thing near their nominal value; indeed, I believe, it would have very little effect upon them. Men in business would give little more for a certificate drawing four dollars per cent. per annum, than they would now: supposing then, the public credit will be unaffected in a great degree, by the present measure; I would propose, to take time for the purpose of ascertaining the justice of their claims. I will, therefore, move to amend the resolution now before you, sir, by adding these words to it "as soon as the same is ascertained and duly liquidated."

Mr. BOUDINOT.

I am glad to see gentlemen bring into view principles on which to determine the great question before us; because, when they are once established, they will enable us to proceed with certainty, to a decision. If the principles brought forward, by the honorable gentleman from Pennsylvania are just, his arguments are of great weight; but if, on consideration, we should find that the principles are unjust, then I presume, however cogent the system of reasoning he has founded thereon, it will not prevail. He supposes we sit here as judges, to determine the different claims of the creditors of the United States. If we are in that predicament, I agree we ought not to proceed, but on full evidence and hearing of those claims. But I have never hitherto been led to consider congress in this light, nor can I now consider them in any such point of view: I considered the congress, who entered into these engagements, as complete representatives of the United States: And, in their political capacity, were authorised, by the articles of confederation, to contract the debts for which our public faith is pledged; instead of being judges, or arbitrators, on this occasion, we are parties to the contract; nor is our case varied, by the dissolution of the old confederacy; because, the existing confi-

tion has expressly recognized the engagements made under the former. All debts contracted before the adoption of this constitution, shall be as valid against the United States, under this government, as under the confederation. Now is the moment to establish the principle; if the constitution admits the borrowing of money, or paying for supplies, to be a contract, we are one of the parties to this contract, and all idea of being arbitors must vanish: We cannot judge in our own cause. The case will now stand clear; we owe a debt, contracted for a valuable consideration: The evidences of our debt are in the hands of our creditors, and we are called upon to discharge them; if we have it in our power, we ought to consider ourselves bound to do it, on every principle of honor, of justice, and of policy: But as we have not the ability to pay the whole off, nor, perhaps the whole interest, we must endeavor at such a modification as will enable us to satisfy every one: Not that this modification shall take place without the consent of the creditors; this would be improper and unjust; each party is as much to be consulted on this occasion, as it was at the time of the first contract. If, then, congress is bound by the first contract, no gentleman can say we are judges: If we are parties, what would be the decision before a court of justice? The creditor produces my bond, by which I have bound myself to pay 100 dollars; I cannot gainsay the fact; no man is allowed to plead that he has made a bad bargain, and that, at other times, he could have purchased what he got of the creditor at half the sum he was forced to allow him. The enquiry of the judges is not, whether the debtor made a good bargain or not, but whether he did it fairly, and voluntarily. We are in the same predicament, if we fairly and honestly received the *quid pro quo*, we are bound, as parties, to the honest performance of the contract, to discharge the debt; otherwise what avails the clause in the constitution, declaring all debts contracted, and engagements entered into, before the adoption, to be as valid against the present government, as they were under the old confederation? The debt was *bona fide*, contracted; it was acknowledged by the United States; and the creditor received a certificate as the evidence of his debt. It is immaterial to us what he did with it. I confess, if the original holder was to come forward, and say that he had been robbed of such evidence, we ought not to pay it until the point was ascertained in a court of justice.

I can by no means consider the congress of the United States judges on this occasion ; we are not called upon as arbitors ; our creditors justly consider us as parties, and call upon us for the payment of what we acknowledge to be due ; they require at our hands, the discharge of the engagement, of which they present the written evidence. I confess we are not warranted to charge our constituents with unreasonable burthens ; and therefore, I presume, we are authorized to make propositions to our creditors for a more convenient mode of payment than what was originally contracted ; but this is optional with them ; if they refuse to listen to us, and insist upon their just claim, we must satisfy it as far as we have the ability ; thus far, I presume, we may fairly go, in regard of the domestic debt.

Some observations were made to point out a difference between the foreign and domestic debt ; I admit there is a distinction, and that, in another instance, which has not been mentioned, his most christian majesty, when he first became our important ally, presented congress with a large sum of money ; but this being insufficient to procure us the necessary supply of military stores, a loan was made us from the royal coffers of France ; but this also being inadequate, we endeavored to obtain further aid from foreigners ; the credit of the United States was so much impaired, as to hold out but little encouragement to individuals to trust us with their money. The French king added another mark of his distinguished attention ; he guaranteed the loan, and the money was obtained ; but obtained of the widow and fatherless ; of persons whose all depended upon a punctual payment of the interest. On this point I could refer you to letters from our commissioners in Europe, who beg that we may not put them on this business, unless we are certain that the United States will carefully provide for the payment of the interest ; because, in case of failure, hundreds must perish for want : This is another motive why we should attend to the performance of our contract ; and I will repeat again, it is what we are called upon to do, upon every principle of honor, justice, and policy.

Mr. LAWRENCE.

The observations of the honorable gentleman from Pennsylvania, (mr. Scott) if I understand them right, apply to the principal, and not the interest of the domestic debt ; he imagines it to be too large, that is, that the individual who performed services, or rendered supplies during the late war, received evidences rather of too great nominal value ;

and that at this period of time, it is necessary to investigate every particular claim, and judge whether the balances are respectively due or not. The gentleman has distinguished between the foreign and domestic creditor on this point; he supposes the foreign debt ought not to be re-examined, because the holders of it are unconnected with our government; they lent us money, and we are bound according to the precise terms of the contract. Here I agree with him; but that there should be a solid distinction, in justice, between the foreign and domestic creditor, is to me a singular thing. It was observed, that the citizens of America would be well paid for their loans, supplies, and services, by the benefits and profits arising to them by the revolution; but are we to sacrifice the claims of several individuals of the community, for the advantage of the whole? Who are benefited by the revolution? Every citizen: Then every citizen is bound to contribute his equal part of the expences attending the procurement; Should those of our citizens who furnished supplies, or loaned their money, be the only class who are injured? Every citizen is bound to pay according to his ability, because every one has participated in the benefit; then the only question to ask is, whether this discrimination should be made to ascertain or new proportion the debt? This will lead me to enquire whether it is proper for us, after the resolution we passed at the last session, after the resolution we have just passed now, to scale the public debt anew? Shall we say that the evidence carries on its face fraud, and deception? I contend we shall not. Why shall we liquidate a debt which is established upon a complete and final settlement. From the face of the evidences arises the demand, and that is the demand we are to make provision for. Shall we go throughout our officers and soldiers, who served during the late war, and say that the balance struck to be due to them is an imposition on the public, when the government itself has determined that they were entitled to such particular reward? If, at the time those securities were given to them, government had paid them in money, would any gentleman now contend that their accounts ought to be re-liquidated, and every individual called upon to refund a part of what he acquired in conformity to the laws of his country? Certainly no gentleman would contend for such a measure. How is the nature of the case altered from the circumstances of our having been so unfortunate as to pay those worthy men with a certificate, in lieu of the money which was due? The nature

of the case, I conceive, is perfectly the same; and we are in duty bound to make a full compensation: The face of the paper expresses what that is, and it is to be our guide; the demand surely is not to be lessened.

Do gentlemen suppose, that the United States were supplied at a higher rate than individuals? the contrary, I believe, is the fact, and it seems to arise from the nature of the thing. It was in the power of the public to give such prices as they thought proper, because they had power to take the property by force; whereas, the individual, who was supplied by his neighbor, charged them at such rate as was satisfactory. If the government had generally given such price, there would have been no necessity of having recourse to the national strength, for the purpose of obtaining the provision and services necessary for the army. From this consideration, I am led to believe, that the supplies were furnished to the public cheaper than the market value.

Upon what principle is it that we are to go into this investigation? Will it lessen the demand, so far as to indemnify us for the expence? I apprehend not. It will introduce a principle of uncertainty: An evidence, that to-day is worth an hundred dollars, to-morrow may not be worth the half; and will, consequently, give rise to that spirit of speculation, which has been so earnestly deprecated on this floor.

The honorable mover of the amendment contends, that we ought not to enter upon a permanent provision for the discharge of the domestic debt, until we have ascertained its amount. Does he mean the sum total, with accuracy? If so, our proceedings will be delayed beyond the term of our existence. I contend, sir, that we know, as far as we can know, at this moment, what the amount of our debt is, except about two million of dollars, principally arising from the remnant of the old continental money, which has not yet been brought into the treasury of the United States: But this is a subject which may be submitted to the discretion of the committee, and decided upon, as well from our present information, as any we are likely to get in future.

It has been asked, whether it is likely to be beneficial or proper to appropriate permanent funds, in the manner proposed by the second resolution? My mind, mr. chairman, inclines to approve of permanent funds for that pur-

pose ; because, I believe, more public benefit will result from such a measure than any other ; it will destroy that fluctuation which renders a public debt injurious, and will give it that stability necessary to introduce it as a circulating medium, by which numerous advantages will arise to the agricultural, commercial, and manufacturing interests : I therefore shall be inclined to favor the original motion, and reject the amendment ; because our debt is already ascertained, and duly liquidated, except the two million of dollars, which is in our power, as well, I say, to decide upon now, as at any future period.

Mr. JACKSON

Said there were, most surely, principles on which to ground a discrimination betwixt a foreign and domestic creditor ; if there was no other, there was this, that the domestic creditors were those that were bound to pay the foreign creditors their demand ; they ought consequently to do justice to others, by a punctual payment, before they required a discharge of their own claims.

Mr. AMES

Did not conceive it material to enquire, whether there was an equal obligation on the people of the United States to pay their foreign and domestic creditors, when they meant to pay both ; but if it is intended to reduce the principal of either, it will lead us into a discussion of the principles on which such a measure ought to be founded. The honorable gentleman from Pennsylvania, (Mr. Scott) probably intends, by the amendment, to have a reduction of the debt ; I have, said he, so much respect for the good sense, and upright intentions of that honorable gentleman, that I will not impute to him unworthy motives ; nor do I believe that he governs his conduct in private life, by maxims which I suspect to be contained in the amendment now before us.— I would not be understood, by any means, to convey an improper reflection upon the opinions of any one. The science of finance is new in America ; a gentleman may therefore propose the worst of measures with the best intention. What, let me enquire, will be the pernicious consequences resulting from the establishment of this doctrine ? Will it not be subversive of every principle on which public contracts are founded ? The evidences of the debt, possessed by the creditors of the United States, cannot, in reason, justice, and policy, be considered in any other light than as public bonds, for the redemption and payment of which the property and labor of the whole people are

pledged; the only just idea is, that when the public contract a debt with an individual, that it becomes personified, and that with respect to this contract, the powers of government shall never legislate. If this was not the case, it would destroy the effect it was intended to produce; no individual would be found willing to trust the government, if he supposed the government had the inclination and power, by virtue of a mere major vote, to set aside the terms of the engagement: If the public, in such a case is, as I have said, personified, what conceivable difference is there, except in favor of the creditor, between the public and individual in the case? If, then, the public contract is a solemn obligation upon us, we are bound to its true and faithful performance. What is the object for which men enter into society, but to secure their lives and property? What is the usual means of acquiring property between man and man? The best right to property is acquired by the consent of the last owner. If, then, an individual is possessed of property, in consequence of this right, how can government, founded on this social compact, pretend to exercise the right of divesting a man of that object, which induced him to combine himself with the society.

Every gentleman may determine this question by his own feelings.

Shall it be said that this government, evidently established for the purpose of securing property, that, in its first act, it divested its citizens of 70 millions of money, which is justly due to the individuals who have contracted with government. I believe those gentlemen, who are apprehensive for the liberties and safety of their fellow-citizens, under the efficiency of the present constitution, will find real cause of alarm from the establishment of the present doctrine. I have heard, that, in the East-Indies, the stock of the labor and property of the empire, is the property of the prince; that it is held at his will and pleasure; but this is a slavish doctrine, which I hope we are not prepared to adopt here. But I will not go further into a consideration of the idea of discrimination. I will ask, though, is this country ever to be in a settled and quiet state? Must every transaction that took place, during the course of the last war, be ripped up? Shall we never have done with the settlement and liquidation of our accounts? If this is the case, what kind of rights will the people have in their property? None, but the will of the government: And will this tend to

the establishment of public credit? What security will they derive from a new promise? None: They well know that this can be set aside equally with the other, provided it is deemed expedient. What mischief will follow this idea? The public faith will be destroyed, our future credit a mere vapor; and all this risk is to be run for the sake of, what? Of saving something to the public? No; the public will lose by the transaction more than they will gain; our justice will be impeached, and foreigners will feel themselves happy, that they have it in their power, by violence, to procure to themselves that which we deny to our own citizen. Such a mere arbitrary act of power can never be exercised on the part of government, but to the destruction of the essential rights of the people, and will finally terminate in a dissolution of the social compact.

Mr. LIVERMORE.

The arguments advanced by the gentlemen from Massachusetts, and New-York, prove too much, and therefore prove nothing. That the late congress, had at all times, from their first institution, the power to contract debts, for the benefit of the United States, cannot be denied; and that we are authorized to pay such debts, is equally certain: But this by no means contravenes the opinion of those gentlemen who think, that the whole may be properly considered, and discharged, at the rate which justice requires; for the same argument which is urged for the payment of the public securities, at their nominal value, might be urged in favor of paying off the continental debts of credit, according to the sums expressed on the face of them. They were issued with as much confidence, and were received with as firm reliance on the public faith, as any species of securities whatever; yet, it seems to be given up on all hands, that the owners of the old continental paper bills, ought not to be paid according to their nominal value. Perhaps, it may be said, on comparing them with the loan-office certificates, that the United States had not the benefit of that money: But had they not the value of it? It will be answered, that when the money was first issued, congress had nearly the value for it; but afterwards the money greatly depreciated, and they had not the full value for it, yet the obligation to pay it is as explicit as words can make it—no advocate will be found for making all that money

good. It has been thought proper, and it is just, that it should be reduced from its nominal value; if it is reduced on a scale of one hundred for one, the holders of it, I dare say, would cheerfully receive that sum. If the United States then had value for it, and they had not value for the certificates, who can doubt of the justice of re-liquidating, and duly ascertaining the public debt? All I contend for is this, that the present government pay the debts of the United States; but as the domestic part of the debt has been contracted in depreciated notes; that less interest should be paid upon it than 6 per cent. Six per cent. was the usual interest upon the certificates when they were issued by congress; but if the possessor has received no part of his 6 per cent. until this time, that now the principal and interest be consolidated into one sum, hereafter to bear an interest of three or four per cent.; then those citizens, who now stand as creditors of the union, will find that part of their property has been the most productive of any, much more productive than the property of the citizens of the United States has generally been. Those who lent their money to individuals, before, and during the late war, generally lost, or suffered, by the depreciation, some three-quarters of the capital, nay, some 39-40ths. But is this the case of the domestic creditor of the United States? No; mr. chairman, he will preserve his property, through the chaos of the revolution, and be put now in a more eligible situation than he was at the time he loaned his money. The capital sum which he lent is now encreased, and very rapidly encreased, for 6 per cent. is a very large interest. He will now receive 160 dollars for his 100, and putting that into the funds, at three or four per cent. he will find more productive than any other method in which he could employ his money; for, I contend, that neither improved, nor unimproved lands, will give an interest of near half of what the public creditor will have. People, who have held real property, have sunk, with the taxes and other losses, the greatest part of it; but the public creditor has let his run through the confusion of the revolution, and nevertheless gets it returned to him safe; and, so far from being impaired, that it has prodigiously accumulated, not only in a manner superior to the property of his fellow-citizens, but superior to the foreigner who lent his money at 4 per cent. Justice and equity

require, on the behalf of the community, that these people be content with reasonable profit; they ought not, therefore, to receive, on a funded debt, so much as six per cent.; whether three or four, or something between three and four, would be a proper sum, I shall not pretend to determine. But I consider it a proper question for this committee to consider, in justice to those who are to pay, as to those who are to receive; nor do I believe the domestic creditors would be dissatisfied with it, provided they were sure of receiving this annual interest; for their debts, on such a footing, would be better to them, than if they were established on an extravagant plan that could never be effected, but which would be likely to throw the nation into confusion. Every body has suffered more or less by the depreciation, but the public creditors very little, in regard to that part of their property which they had deposited in the hands of government: It is true, that it has slept; but it is now waked up to some purpose.

Mr. SHERMAN.

I do not differ much in principle, from the gentleman who spake last, from Pennsylvania (Mr. Scott) but, I do not extend my views so far as he extends his, in the exercise of the power, which he contends is vested in this body. I look upon it, that every legislature acts in a threefold capacity: They have a power to make laws for the good government of the people, and a right to repeal, and alter those laws as public good requires; in another capacity, they have a right to make contracts; but here I must contend, that they have no right to violate, alter or abolish; but they have a right to fulfil them. The legislature stands in another capacity, or what is called judicial, between the union at large, and those creditors with whom she has entered into stipulations; there can be no other solemn judge on such occasions, because no court of law is capable of giving redress; they cannot issue an execution against the sovereign power, and enforce their decrees; therefore, any creditor who has money due to him from the state, has a right, by petition, to apply to the legislature, who has the sole power of ordering the money out, and of doing him justice. When applied to in that manner, the legislature has a right to examine, or appoint another to examine, how far the claim is just or unjust: This power

has been exercised, with respect to the greatest part of the claims against the United States; there has been a liquidation of these accounts, and the specie value has been ascertained of the depreciated security. When bills of credit were first emitted, it was declared that they should be redeemed with specie, indeed they passed as such at first; but the opinion of their real value was changed by common consent, those that were put into the continental loan-offices, were always payable in the same species of money. If they had been paid in paper currency, the owners of them would have suffered a loss and injury: In justice, therefore, to the holders, the government agreed to fix the value of the loans according to the current rate of paper bills, at the time they were left in the office: All certificates were ordered to be liquidated in this manner, the same could not be done in favor of those who had left their other property with the public, and took the continental bills as a security; because they passed as a circulating medium, and went from one hand to another, by which means every one who received them, and kept them, though a small space of time, suffered loss; in that way it operated as a tax, and perhaps as equitable and as just a one as could have been any way apportioned; therefore it could not have been supposed equitable, that the last possessor should receive for these bills, the nominal sum in specie.—The government, therefore, interfered in order to do justice; but when they had entered into a contract, founded on specie value, liquidated and ascertained, I don't see but what the public are bound by that contract, as much as an individual, and that they cannot reduce it down in either principal or interest, unless by an arbitrary power, and in that case there never will be any security in the public promises. If we should now agree to reduce the domestic debt to 4 per cent. the world may justly fear that we may, on some future occasion, reduce it to two; if this government once establishes such a principle, our credit is inevitably gone for ever. I presume the gentleman does not found his motion upon the idea, that there has been fraud and injustice committed on the one side, or imbecility or oversight on the other; if there was, it would be a good reason why an enquiry should take place in such cases; but though the legislature may judge of accounts exhibited against the government, and determine on them, their power ought not to be extended to judge of those already acknowledged; unless it

be for the special reasons which I have just mentioned. From these considerations, I should be inclined to vary the motion for amendment, and insert the word liquidated before domestic debt, so as to provide permanent funds for the payment of interest on the liquidated part of the debt only.

Mr. GOODHUE

Asked the gentleman, whether an individual ought to suffer for the fault of government during the late war? In consequence of an impaired credit, the United States were obliged to give, on some occasions, acknowledgments for more than the real value of the commodity; these securities depreciated, and were sold for a sum less than the value of the goods they had been given for; but is that a reason why we should refuse, when we have it in our power, to discharge them according to our promise. He presumed, that if the persons who furnished the army with supplies, had conceived that congress meant to avoid the full payment of the stipulated price, they would not have got the supplies at double the rate they procured them. If it was the intention of gentlemen to take advantage of the depreciated state of the securities, it would be wisest to defer all further consideration of the subject at present, for the purpose of availing ourselves of a still greater depreciation, which such a measure would inevitably bring about.

Mr. FITZSIMONS

Said, that it was not his idea that the committee should pledge themselves to any particular rate of interest; the proposition was a general one, and pledge them to nothing more than making a permanent provision for the payment of the interest, and gradual discharge of the principal: He hoped, therefore, that gentlemen would not object to it from a supposition that they would pledge themselves by giving it their support to vote hereafter for six, five, four, or three per cent.

Mr. SCOTT.

A great deal has been said on a great principle that must be attended to in some stage of this business; but gentlemen have been led into a more extensive discussion on the doctrine of discrimination, than I had any idea of when I proposed the amendment; it has been urged by some of the gentlemen, that however just my principle is, that the legislature is in the quality of an arbitrator, yet we cannot adopt the amendment; others again have said, that the debt is a contract between the government and the individual, and that we being parties, we cannot be judges; for it is

contrary to the principles of law, that we should be judges in our own cause. If, in national transactions like this, interesting to our own citizens only, the government is to be supposed one party, and the individual the other party, I would ask the gentleman who is the judge? Can two parties exist in a well organized government, to dispute about property, and have no judge? The very idea must induce the gentleman to abandon his ground. It has been said, as the foundation of an opinion, that there is a great similitude between a certificate and a bond, that is brought into court to demand payment upon; that no opposition can be made; that no plea can be entered;—but I would wish to ask the gentleman who made the remark, as a professional man, whether the want of consideration would not be a good plea? In courts of equity, relief can be given against *prima facie* evidence.

The honorable gentleman from New-York, (mr. Lawrence) is opposed to the amendment, because of the impropriety of going into a second liquidation of the debts; I did not expressly say, whatever my ideas may be, that I wished for a second liquidation: It was not necessary, for my purpose, that I should have expressed such a desire, because it is very well known, that there are debts, to a very considerable amount, unliquidated; and urged this as a proof why we ought to defer the present measure; because, going into a provision for a part of the debt only, may put it out of our power to make an equal provision for those who are equally deserving. The honorable gentleman from Massachusetts, who followed the gentleman from New-York in opposing the amendment, supposes, that in contracts of this kind, the government becomes personified; that doctrine, is supported on principles different from what I have heard supported on this floor. I remember, on a subject somewhat different from this, to be sure, to have heard it said, that a political body was a body without a soul; if you make it a person, it must be a person without a soul; if such, it is not the subject of any moral obligation.

But I believe the distinction I took between the situation in which the government stands, between the foreign and domestic creditors, has not been adverted to. Suppose, in time of war, the late congress had found themselves under the necessity to enter into a contract with twenty of our fellow citizens, which they afterwards discovered would bring absolute ruin upon the rest, could they not intermeddle and modify such contract? Is there any power of government

more frequently exercised than that of interfering and violating private contracts : In London, houses have been raised to their foundations ; men's lands have been taken from them, yet it was never thought that the government ever acted wrong in the exercise of authority ; private property must not only be subject to a change of shape, but sometimes to an absolute extinguishment, rather than a nation should sink, or the public safety be endangered. This power has been exercised at home ; paper money, at one time, passed current, and was of value nearly equal to gold or silver ; but the value expressed on the face of it, was that of specie itself : What did the government do when the depreciation had extended itself to a great degree ? They laid violent hands upon it, and it was scaled : Was that a violation of the public faith ? If it was, was it not necessary and inevitable ? How then is this the only contract that cannot be violated without a breach of public faith, or the loss of public credit ?

All that I am now saying, is not an argument that this power should be exercised, but that it ought to be, if justice required it ; if justice does not call for the exercise of it, we may boldly assert, that some of the claims and clamors we have heard have been ill founded. I will go no further into the subject at present, but confine myself just to state to the committee, that my object is, to be acquainted with the amount of the public debt, before we provide permanent funds for the payment of it.

Mr. LIVERMORE.

My first objection against the resolution, as proposed by the gentleman near me, (mr. Fitzsimons) was that I did not clearly understand the meaning of it, but now he has explained it ; I understand what his intention is, yet, I think it would be saving time and leading the committee to the main object, if we were to take into consideration the object which I attended to, namely, a reduction of the interest of the domestic debt. I would therefore move to modify the first resolution, so as to introduce the words " a certain rate," before " interest," which would shew our intention to reduce it, and then it might be filled up with three or four, as gentlemen may think proper.

Mr. BOUDINOT.

I am a friend to the discussion of every principle on which the great business before us may be supposed to turn, because I have a great desire that they should be settled on full information, that the public, as well as ourselves, may be

fatisfied with their propriety. This leads me again to notice the arguments which have been urged in favor of considering this body as judges or arbitrators between the public and the individuals, who have claims upon the public.

It must appear, to the satisfaction of every unprejudiced mind, from the resolutions of the late congress, that they acknowledge themselves a party on behalf of the public, to every engagement they entered into for services, supplies, or monies loaned. If then it is admitted that the late congress were parties to the contract, we must agree that our situation is precisely the same, because we stand in their shoes; and in my former argument I urged, if we are parties, we cannot be our own judges. But the honorable gentleman from Pennsylvania answered this observation, by saying, there can be no parties without judges, and who are to be our judges? The constitution will answer him this question: The judicial power of the United States, is vested in the supreme court; no judicial power can be exercised by the legislature; but if this was not the case, I ask whether, in the reason of things, a legislature ought to interfere or modify a contract to which they were parties? Whether it would not be subversive of the great ends of their institution? And no case, I believe, can warrant an interference, unless it is where the whole interest of the community is at stake, and likely to be injured. I therefore take it for granted, that in every case where no fraud is committed; for if a fraud is committed, I agree with the gentleman, that it vitiates the whole, but if there is no such thing, the contract remains inviolably binding.

I mentioned also the case of a bond, and supposed that we were bound to the punctual payment of government notes, as much upon their presentation, as a person would be bound to the payment of a bond, when it is exhibited in court. The same gentleman has appealed to me, as a professional man to say, whether the want of consideration would not be a plea against the same? I answer him, that the want of consideration in a bond, under hand and seal, unless it was under a particular statute, or for the performance of an unlawful thing, would not be a plea. The gentleman has also adduced the case of the paper money, to shew that we have a right to interfere, and modify the contract: Now, in order to distinguish this matter, we ought to consider that government was contracting with the individual, that the individual, as a party, had as much to say in the contract as the purchaser. If I come to you, and offer to purchase of you a

bushel of wheat, whose known value is one dollar, and I offer to give you my note for it at that price; you tell me no, I will not take it, for your credit is not equal to it; you shall give me twenty dollars, because that, in fact, on your credit, it is no more than equal to one dollar. Will I give you the price that you hold the wheat at? Is it not now settled between the contracting parties, that the note for twenty dollars is, in fact, no more than one dollar; and having been fixed, by mutual consent, to be of that value, there is not so great an impropriety in its being declared so by either. If the government, in such a case, find that it will work an evil of the most enormous magnitude, to discharge those notes which have been paid out, not at twenty for one, but at one hundred for one, at their nominal value, they are not to be blamed for scaling them. Now, are these two cases alike? The certificates that were issued were given for the real specie value of the commodity, or service, or they were on a liquidation of the depreciated currency they had before received. What pretext then can there be set up for a re-investigation of claims so certainly decided on? The money that was due, as I have supposed, to the person for his bushel of wheat, might have been paid off in continental bills of credit; when the depreciation was at forty, fifty, or a hundred for one; but, in this case, government would have done an act of injustice, they would have paid the man but half a dollar instead of a whole one: But the government acted more generously, they agreed to give the value at the time the supplies were furnished, or the loans made. Now, can this be brought as a precedent why we should abridge the claims of the holders of the public securities? We cannot interfere, unless it arises from national necessity, that the community would be injured by doing them justice.

But is there any gentleman on this floor, who will presume to say, that such a necessity exists? The public ability is confessedly equal to the demands of its creditors: Yet, from motives of convenience and expediency, it may be proper to attempt a modification of the national debt, with the consent of the creditors; and if this can be obtained, will any gentleman oppose it upon principles of honor, justice, or policy. On such an occasion, it is prudent to provide a variety of terms, because different offers may meet the approbation of different minds. This variety, I take it, is held out in the report of the secretary; and the debt relented, in either way, will be as much the child of consent as the original engagement at the first contract.

The gentleman, as an inducement for us to follow the example of other nations, has told us, that the parliament of England has rased houses, and appropriated the property of individuals to the public service. This is all true, sir; but the parliament were no parties to the contract, by which those houses or lands were held; so have we a right to bind the citizens, in cases where they all stand equal, and where we ourselves shall not be particularly the gainers.

His last argument, was requiring us to shew, why this contract between the public creditors, and the United States, was different in its qualities from every other? By every other, I presume, he meant the cases referred to, respecting the parliament of Britain, and the paper money of America. I think I stated this sufficiently clear before, they are widely different, because congress is a party to the contract, in the other they were not: So, on the principle of honor, we are bound to fulfil what we have engaged to perform; on the principles of justice, we are bound to pay what we owe; and, on principles of policy, we ought to discharge the interests of our present debt, in order, that when public exigencies require it, we may borrow money with greater facility; we have no right, by our conduct, to put it out of the power of the United States hereafter to defend themselves, and unless we support the credit of America by a just performance of our engagements, we shall depreciate her credit to so low a state, as to prevent her forever obtaining any future loans.

Mr. FITZSIMONS.

I apprehend my colleague has taken for granted, what has not appeared in evidence, that there is a great part of the domestic debt unliquidated. I doubt the truth of such an opinion; we are not authorised to entertain it from any thing contained in the report of the secretary of the treasury; the unliquidated debt therein spoken of, amounts to but two millions of dollars, and that chiefly arises from the old continental money, which is not yet brought into the treasury, and this sum is so small, that I think there is little danger, that in making our provision now for the payment of the interest, we shall so far exhaust the resources of our country, as to disable us from making provision for the remainder, when it is ascertained; indeed, the accounts which are not liquidated appear to me to be very trifling, because the two milli-

ons dollars mentioned in the report, are the greater part of them supposed to arise from seventy-eight millions of old continental dollars, yet out standing ; and these, at forty dollars for one, amount to pretty near that sum.

Mr. JACKSON.

If there is no part of the debt of the United States unliquidated, beside the two millions which the gentleman alludes to, yet there is a very considerable part of what is in contemplation to fund, as continental debt, not at present ascertained, I mean the state debts ; the secretary himself had no evidence before him, from which he could make a probable guess of the amount ; if these are to be assumed by the general government, I presume the general government ought to be at liberty duly to ascertain them ; and therefore the amendment proposed by the honorable gentleman from Pennsylvania, ought to be admitted.

The honorable gentlemen who are in opposition, contend, that no sort of discrimination ought to take place, yet from what they have let fall, on this occasion, I am led to believe, that they favor that part of the report of the secretary which makes a discrimination, in fact, equal to one-third loss of the principal. What will hold good in one case, ought to hold good in another, and a discrimination might take place upon the same principles, between those to whom the government were originally indebted ; and who have never received satisfaction therefor, and those who had nothing to do with the government in the first transaction ; but have merely speculated, and purchased up the evidence of an original debt ; some gentlemen think, that this latter class merit that greater degree of attention should be paid to their claims, because, by their actions, they seem to have evinced a greater degree of confidence in the government than those who sold them. But, sir, these men have had more information, they have been at the seat of government, and knew what was in contemplation before the other parts of the union could be acquainted with it. There has been no kind of proportion of knowledge between the two classes, to use the expression of a British minister, the reciprocity has been all on one side : The people in this city are, sir, informed of all the motions of government ; they have sent out their money, in swift sailing vessels, to purchase up the property of uninformed

citizens, in the remote parts of the union; but were those citizens acquainted with our present deliberations, and assured of the good intent of congress to provide for their just demands, they would be on an equal footing; they would not incline to throw away their property for considerations totally inadequate. Such attempts at fraud, mr. chairman, would justify the government in interfering in the transactions between individuals, without a breach of the public faith; but this, sir, is not the object of the present motion, it only goes so far as to ascertain the amount of the debt, before we make provision for the payment; and this appears to me to be proper upon every principle of justice and discretion.

Mr. STONE

Thought, if we made no effort to pay the debt until it was wholly liquidated, it would be a work of time, and that it would be unjust to refuse to settle with those who had settled their accounts, because there were some of our creditors who had hitherto neglected to bring them in.

Mr. SEDGWICK

Feared the consequences, were the present congress to disperse without providing adequate funds for the support of public credit; he believed every gentleman's mind was impressed with the same idea, that therefore a procrastination upon the principle of liquidation, would be extremely injurious.

Mr. WHITE

Did not understand the full extent of the amendment, nor of the original proposition; he wished the committee to investigate the subject very fully, before they came to a decision, because much depended on doing what is right.

Mr. BURKE

Wished the question postponed till to-morrow, as it was a subject of such high importance. He moved the committee to rise; whereupon the committee rose, reported progress, and then the house adjourned.

F E B R U A R Y 10.

On motion, the letter and memorial of Robert Morris, was read a second time: Whereupon, ordered, that it be entered at large on the journals of the house, and that the subject matter thereof be referred to a select com-

mittee, consisting of messrs. Madison, Sedgwick, and Sherman.

The house then resolved itself into a committee of the whole, on the report of the secretary of the treasury. Mr. Scott's amendment still under consideration.

Mr. Scott.

Some time was spent yesterday in the consideration of this motion ; in my opinion that time was not ill spent, nor would two or three days more be ill spent in discussing the question, for it involves in it, the whole doctrine of discrimination and liquidation ; if these two great points are once settled, the way will be clear and open before us to proceed to the discussion of the report ; for, if the principles of the report are good, I believe the plan itself is good. I believe, upon the principles which it holds forth, that it is wisely, and judiciously drawn out, and does great honor to the officer who framed it. But, it is incumbent on us to examine its principles, before we adopt it ; if they do not consist with equity and justice amongst the several inhabitants of the union, they must be rejected ; now, I have my doubts, whether they consist with that equity and justice or not ; I think there are others on this floor who have their doubts also. I wish, therefore, that we should coolly examine these principles, consult our judgments and understanding, and when we have collected all the information we can get from each other, we may determine ; and when we have determined this, and the two grand points I have mentioned, our business will be easy.

In support of the principles held out in the report, it is said, that a solemn contract is entered into that cannot be violated ; that the debt is ascertained and cannot be extinguished, but by the absolute payment of what it acknowledges to be due. Now, I doubt, whether the necessary concomitants of a contract, to the amount mentioned on the face of the paper, really accompanies the public securities. Let us revert back to the time that this contract was entered into. At the close of the war, at the commencement of issuing final settlements, there was a demand against the United States for real and essential services rendered ; the claimants came forward, and asked something for their demand : Congress, having no money to give them, offered something ; what ? A certificate, to a certain nominal amount ; nay, more of a

certain known value; the nominal amount was twenty shillings, the certain known value was two and six-pence. Did the soldier accept of this offer? Yes. On what principle did he accept it? He knew it was putting the last cap-stone on the building which he had erected by his labor, and cemented with his blood. I have done you services, said he, to the amount of twenty shillings, but you are poor and unable to pay me; I will accept now of your two and six-pence, and give you a discharge; thus the soldier who had, through blood and slaughter, established the liberties of his country, crowned the whole by the sacrifice of pecuniary emoluments.—His consent was given to the contract, and he received two and six-pence in the pound; now, if there is any other contract existing like this, I cannot see it. The soldier never received it, nor the officer who handed it out, never believed it to be worth more than two and six-pence in the pound; it was like compounding a debt by the consent of the creditor, and there an equal liquidation ought to take place. If this reasoning is right, we know the value at once of our paper currency; if it is not right, I would wish to know upon what principle of rationality, a rate can be established for the value of our certificates.

Mr. chairman, I do not lead, nor have I vanity enough to be the champion of a party, I disdain all such ideas; what I now advance, I throw out merely for consideration. I am willing always to receive information. Let me be convinced of the existence of a contract, before I agree that provision ought to be made upon the principles of there being one. But suppose, for a moment, that such a contract exists, and it is inviolable, let us look at the first contractors, and see how it will operate in point of justice and equity. Those heroes, who compounded their claims for the 1-8th (for this was the value at which they received and passed the evidences of the debt), who lost the other 7-8ths, and who are still willing that it should be sunk, from them we do not hear a word of clamor, they have added this to their other sacrifices; but yet there is a clamor, and from whence comes it? It comes from those who are now possessed of the government paper; they are not content with passing it to the next hand, for the same value for which they received it, they must have a profit eight-fold, or they will not be

satisfied. But how is this money to be paid them? As certificates have no intrinsic value, the owners of them have no right to put their hands into the pockets of individuals, and extract money for them; but the government has this power; yet the government will not wrong one individual to do more than justice to another: Will they even wrong an individual to do strict justice to another? In this last case, the unerring hand of justice will divide the loss between the parties; if so, then much less will she direct an individual to be wronged to do more than what is justice to another. Now, I say, the foldier who received $2/6$ for a security, of the nominal value of $20/$. will be subject to the payment of $5/$. towards the redemption of that evidence for which he got but half a crown.

From what I have said on this point, it will appear, that I am of opinion, that a new scale of depreciation ought to be made, that would apply to certificates, as former scales applied to paper money. Nor will their being deemed final settlements destroy the position; for, it is a notorious fact, that, for the first paper money that was issued, the public received the value of gold and silver. National policy and equity, when, by mutual consent they had depreciated, properly induced congress afterwards to say, that they should pass at a lower rate: Had not that policy been adopted, the community must have been inevitably ruined; the loss operated as a public tax, and injured no person, for it lost its value in the hands of every one, the same as if it had been contributed in payment for the support of government.

Another reason urges me to adopt this principle, rather than the one contained in the plan. When the amount of the public debt is ascertained, I could not pretend to cut the proprietor short of 6 per cent. interest. I think the same interest ought to be given which was offered the man, and induced him to vest his money in this way; I think it would be doing more justice to him to abridge the principle, and to give him the full interest, than it would be to reverse the case.

That part of the amendment, which is supposed to look like a delay in providing permanent funds for the discharge of the debt, is supported on a variety of considerations. I do not think we can go into funding the public debt, until we know what it amounts to. One part, we

know, is unliquidated, but we do not know what the real value of that part is : It is called two millions of dollars ; but there are 78 millions of old continental dollars still in circulation. A question will arise, if we determine that a government can make no alteration in the value of the paper she has issued, and plighted the public faith for the redemption of, whether the real value of these 78 millions of dollars is, according to the nominal value, or as the secretary supposes them to be, two millions only ?

On this point I could raise this enquiry, what was the idea of the secretary of the treasury when he mentioned those words ? Did he advert to the scale of depreciation which was fixed by the late congress, at 40 for one ? It is probable that he did. Now, it has been said, that a public acknowledgment of money, due on the balance of account, is like a bond ; though I am not able to discover in what this likeness consists, yet, if final settlements partake of the nature of bonds, I presume it will be admitted, that paper bills are, to all intents and purposes, good notes of hand ; no plea, in justice and equity, can be set up against the payment of one, that would not be admitted against the payment of the other. If at any time the public necessities have compelled the government to declare them depreciated, I presume, when those necessities no longer exist, that they ought to return to their first value, and have the same force, as if they had been unaffected by legislative interference. What would be the consequence of funding the public debt under these impressions ? The inconsiderable two millions would be found to amount to 80 millions. This consideration urges me to an ardent wish, that we may be cool and deliberate in weighing the present question.

The doctrine held forth, that the present possessor stands in the place of the original holder, is what I do not perfectly comprehend ; I think there is a difference. There would be a difference before a national court of equity ; that court I now bring you before ; and one distinction I ground on this simple consideration, that you cannot do, what is termed justice, to the present holder, without doing an injury to the original holder ; for out of his pocket must come more than he received for what the nation owed him ; this certainly is not the part which a legislature ought to act, who has an equal care of the

whole, when we can reach out strict justice to the one, without doing injury to the other.

Will I be told, that there are many of those characters, whom I have spoken so highly of, veterans, soldiers, and brave officers, who hold sentiments different from those I am now advocating? I believe there are men who have been once brave soldiers, who are now of a different opinion: But, sir, I believe there have been many virgins in the world, who, on entering into the married state, have lost the name of their father, and taken the name of their husband; so, I believe likewise, that some characters, who were formerly in our army, have since wedded to mrs. speculator, by which they have lost all title to the honorable appellation of a soldier, and have taken up with that of their mistress. Now, what are we to consider of these gentlemen? I do not think it a crime that a man should speculate in the funds; but when we hear their opinion, when we attend to their language, we are led to believe, that it is neither the opinion or language of the soldier, but the language and opinion of the speculator; consequently, they have no weight, in our minds, in determining a question in which they are interested.

MR. HARTLEY.

I am opposed to the amendment, not only on account of the mode of expression used in it, but also on account of the very reasons urged by the gentleman in support of it. My colleague considers his principles right, and supposes those who differ from him in sentiment, to entertain different ones: I happen to be one of those who entertain a different sentiment from him; I am also one of those whom he has alluded to, having been in the late army, though I never speculated in public securities. As I differ so much in sentiment from him, and would not willingly give a silent vote on the occasion, I beg leave to state my reasons for it.

At our last session we gave assurances to the public, that we would take up the subject of providing the means for the support of public credit, by providing the means of paying our public debts. It was well known then, to every gentleman in this house, that many of the certificates were in the hands of those who had purchased them; yet, I believe the idea of making a discrimination never entered into the contemplation of any gentleman, at least nothing was said that indicated such an intention;—nor was it suggested

that before this could be done, a reliquidation ought to take place. If that principle is just, and must be carried into execution, it will take many years before we can complete our promise. I grant that we ought to be certain of the extent of our funds, before we undertake to burthen them with the amount suggested in the report of the secretary. Every gentleman can form some opinion, by contemplating the materials; if we discover that our means are insufficient, let us make it known to the world, and endeavor at a composition upon true principles; but I have not heard it asserted that our means are insufficient. I believe, if we compare them with that of other countries, we shall find them very abundant. Those suggested in the report of the secretary of the treasury, are but an inconsiderable number of the branches of revenue to which our power extends. I would not touch the funds that present themselves to my mind, unless they were necessary; but I am pretty confident there will be enough left, after making provision for the part of the debt which is ascertained; so that we have little occasion to fear that our present efforts will prevent us from making future provision for that part of the debt which is now said to be unliquidated. This circumstance of our ability, greatly enhances the obligation to do justice; the only object of the motion, I conceive to be delay; which is a principle contrary to what has been established by this house, in their vote of last session, as well as their answer to the president during the present.

With respect to what was said of the public securities being originally issued, and received as worth but $\frac{2}{6}$ in the pound, I must totally differ with my colleague; the contracts for which they were given as an acknowledgment, were many of them performed three, four, or five years, previous to the time of their being received, and then they were not accepted by the soldiers, willingly, as an equivalent for their services; but congress forced them to accept of them as the only alternative; neither did congress consider that the paper was a discharge of the debt; they only gave it as an evidence of the amount. The soldiers parted with them, to be sure, for what they could get, and here, I believe, they were frequently unhandsomely dealt with. I ever reprobated the idea of purchasing the soldiers rights for such trifling considerations as have been generally given; and I would, at the same time when they were so imposed upon, have cheerfully given my consent that a discrimination should take place; but, now they have changed

hands so often, that it is impossible to do it without the greatest degree of injustice ; provided the government had the power : And this leads me to consider another principle, mentioned by my colleague, which is, that we are arbiters in the case ; so far from it, mr. chairman, I consider that we are parties, and that one party has no right to change a contract without the consent of the other. We may attempt to modify the interest and mode of payment ; but before either of these measures can take effect, the consent of the other party must be obtained. In Great-Britain, the principle has been three times tried within a century. In the year 1784, the chancellor of the exchequer attempted to modify the unfunded navy and ordinance debt ; but after bringing a bill into parliament for that purpose, the opposition was so strong, as to oblige him to relinquish the measure.

As to the policy of funding, I differ in some degree from the gentleman from Georgia, who has supposed it to be improper and dangerous, to introduce such a scheme into a republic. Funding, like every human good, has its certain alloy of evil ; abuses may be committed ; undeserving individuals may obtain a living by acts practised upon their fellow men ; but these things cannot be avoided in any human system. Funding has carried Great-Britain, apparently, to the highest degree of national prosperity ; how has she extended her commerce, and her manufactures, by means of her paper credit ? To what a reputable rank has she raised her character in the scale of nations : compare her with herself when she pursued a different policy ; when she collected her revenue upon the spur of the occasion.—Look at Frederick the 2d king of Prussia ; this prince accumulated, in his coffers, specie to the amount of one hundred millions of crowns ; but his people were poor and wretched, unable to have assisted him in point of revenue, in case any accident had happened. A capital thus collected, in fact, was depriving his subjects of the means of promoting productive industry, and leaving them to languish their lives away in military indolence. A nation that has it in her power punctually to pay the interest of the debts she contracts, may always be supplied, in cases of exigency, with what is sufficient for her purpose, without diminishing the stock of her industrious citizens.

Mr. SEDGWICK

Professed himself to be totally disinterested on the subject of discrimination ; that he was a representative of a part of

the United States in which there were very few of these certificates to be found ; he believed, therefore, that it would be their particular interest, that as little money should be drawn for the payment of the national debt, as was consistent with justice. He felt no difficulty in declaring, that the government possessed the power to interfere with contracts public and private. Gentlemen will concur with this idea, if they consider, that the great object of society is self preservation, and that consequently, every measure that has a tendency to destroy the social compact, is in the power of government to abrogate and set aside : But it should be assumed as a principle, that this interference of the government should never take place, but when such are the circumstances of the community, that the mind is convinced the measure would be destructive of the public welfare. Here, then, arises the present question, Are we in such circumstances at present, as to render an interference, without the consent of the creditors, consistent with the well-being of the society ? If gentlemen will demonstrate this to me, I shall concur with them in the idea, that we ought to pursue that line of conduct which we have a precedent for under the old congress ; but if we are not in that situation, we have no right to meddle in the business. The great point then to be settled, is, what is our capacity of fulfilling the existing engagements of the country to its creditors. On this question there may be a variety of opinions ; but I am prepared to acquiesce in the decision that shall be made after a due investigation of our resources : But for myself, I do believe any further procrastination of the business will not only increase the difficulty of a final determination, but will be mischievous and destructive of the general welfare : Nay, I do not know but it will tend to the destruction of the government itself, by destroying that energy on which all is to depend. I shall not recapitulate the circumstances which have led me to form this conclusion ; but if gentlemen will consider the fervor of the public mind on this subject, the impressions that have been made, and what they are still likely to receive from this and other causes, they cannot wonder at my apprehension. The pernicious consequences of speculation, will, I fear, be increased by any unnecessary delay ; for although that business is necessarily connected with a transferable debt, and that debt derives its value from it in a great degree, and though the public credit is thereby promoted, yet, when persons are seduced from more useful occupations, to divert

their stock, and commence gamblers in the public funds, the productive industry of the country must be checked, and great injury sustained by the commonwealth.

I would just suggest another idea, with respect to the subject of discrimination: I suppose that it is not contemplated by any gentleman, to make provision for the payment of the public debt, upon the precise terms it was contracted. I have heard no gentleman say, that it would be proper under all circumstances, to go into such a measure; I suppose the only difference amongst us is, whether we do it by a violent interference of the government, or whether we shall modify it with the consent of the creditors? I am led to believe, that the latter mode will be the only proper one; and from the public creditors, being a set of enlightened men, I am led to expect that they will accept of our reasonable proposals. They would not wish to receive, from us, engagements beyond what the government is able to discharge, the value of their certificates will depend upon the public opinion, and the public opinion will depend upon our ability to discharge them; they will contemplate all those consequences, and their concurrence may be expected with certainty.

Mr. BOUDINOT.

I am convinced that the principles laid down by the gentleman from Pennsylvania, if true, ought to effect the final determination of this question; and if I was satisfied with them I should clearly vote with him, if I was convinced that the certificates at the time they were given out, were worth no more than $\frac{2}{6}$ in the pound, and that the creditors received them at that price, in full discharge of their demands: I should be very loth to raise them to so great a value; I would treat them precisely the same as continental money; I would think that the public did complete justice by complying with the terms of their contract; while this is a matter of dispute we can never agree in our determination. But, if I can shew, that this is not the case, that he has not looked into the origin of this debt, so as to be well ascertained of the fact, I hope he will give up his opinion, and join with me in the conclusion.

The debt of the United States is of four kinds; first, paper-money; second, money lent; third, the pay to the army, including commutation, and the allowance for depreciation; and fourth, certificates, or evidences of the debts due from the United States to individuals, for supplies furnished, or services rendered at different periods of the last war.

As to the bills of credit, I mentioned yesterday, that they stand upon a different footing from the rest; because it was one of the parties who ascertained their depreciation, contrary to the opinion of the other, who had a desire of keeping them up to their nominal value. The money loaned to the United States, is a debt which we are bound to pay, on every principle of honor and justice; nor can it be said, that the certificate given to the person who loaned the money, was given as a payment in discharge of the debt. With respect to the army, including commutation, I shall beg leave to read two or three resolutions of congress, to shew that congress had a different idea of the certificates they gave to the officers and soldiers, in evidence of the balance of their account, which is still due. When they were first issued to the soldiers, congress guarded them from being transferable; but as the soldiers could get nothing for them in that form, upon representation, congress passed another resolution, by which they were made transferable, in order that the soldier might avail himself of the acknowledgment of congress in his favor; (the resolutions referred to were in May 1783, April 1784, and June 1784) This recurrence to the resolutions of congress, under which the evidences of the debt were issued, sufficiently explode a supposition, that they were understood to be worth no more than $2/6$ in the pound, at the time they were issued and received. From the personal knowledge I have of the transactions of that time, I can venture to say, that no idea of payment was ever entertained; they were in fact, and were so considered, evidences of the liquidated and specific sums, due to the creditors of the United States. The step which congress took for the benefit of the army, in making their certificates transferable, so far from accommodating them, would have proved a real injury. If the assignee had supposed himself to stand in a less eligible situation than the assignor, he never would have been induced to have given him the price which he did. If the soldier had received a certificate of twenty shillings, as only $2/6$, no body would have inclined to have given him $2/6$ for it, because he could never expect to obtain a repayment of a greater sum, even in such money as congress should find convenient; upon every principle of assignation of debts or contracts, such an idea ought to be reprobated.

With respect to the idea of reliquidation of the public debt, I venture to say, that it is totally impracticable; but were it practicable, and to be entered into; the United States,

instead of being gainers, would lose many millions by such a transaction: There have been many instances within my knowledge, where supplies have been furnished, and services rendered; for example, a waggon and horses at 40 shillings a day, have been settled for afterwards, when the money had depreciated 30 or 40 for 1, and paid in a certificate at the original rate; upon this principle, therefore, it would be highly impolitic to adopt the gentleman's motion.

With respect to the arguments applicable to the general principle of a funded debt, I shall say nothing more than that it is not the question properly before us; but if it was, we are under the necessity of doing something in the business, because it is not a question whether we shall contract a debt for the purpose of funding it, but we have one already engaged, which we must provide for.

Mr. SCOTT.

Said, if there was any use in it, he should have no objection that the journals of the late congress should be read from the beginning to the end, and he apprehended that, in that case, they would find resolves equally solemn, and equally binding, which were afterwards set aside, by the scale of depreciation; this would plainly prove, that it was considered by the late congress, as just and political to interfere, and determine the value of the present paper.

The gentleman from Massachusetts (Mr. Sedgwick), who has spoken since I was up, has said something more serious, and which is well worthy of due consideration. He has told us, that the most alarming consequences are to be apprehended from delaying this important business beyond the present session; that it will destroy the peace of the society, and endanger the union itself. If that is the case, a skin for a skin, all that a man has he will give to save his life; if we are to be torn to pieces, or if the speculators will cut our throats, if we do not pay them 20s. for their half crown, I will consent to what you please; but, before I do this, I should like to know how this is to come about, and how we are to be distressed by the necessary delay of the business.

Mr. SEDGWICK.

I will express my idea on the point which the gentleman has made an enquiry respecting, in a few words. I said, that I conceived a delay of this business would endanger the peace of the union, by diminishing the ener-

gy of the government, without which this constitution would be of no value. There are considerations which must appear weighty and important, if justly considered by the committee. A great and respectable body of our citizens are creditors of the United States; there are a variety of opinions prevailing respecting their claims, with regard to funding, discrimination, and interest. This diversity of opinion may probably irritate, and produce heats and animosities, which may terminate in forming factions among the people. The state debts may produce a difference between the general and particular governments; if the matter is taken up as the business of a party, one may be pitted against the other, until, in the end, they disturb the public tranquillity, or sacrifice the general welfare to opposition and party spirit: Besides this, the reputation, the credit of the government, is at stake; the public expectation is alive to all the measures of government at the present moment; they expect that justice and equity will be administered, as far as the abilities of our country extended; it lays with the legislature to realise this expectation. If congress pursue the present enquiry, and come to a determination without delay, the public sentiment will be brought to a point, and a general acquiescence may be expected; but, if it is postponed to a future session, such may be the effect of faction and disappointment during the recess, that the probability is, that no one party will comprise a sufficient number to comprehend the majority of the whole.

Mr. JACKSON.

Do not gentlemen think there is some danger on the other side? Will there be no ground of uneasiness when the soldier, and meritorious citizen, are called upon to pay the speculator more than ten-times the amount they ever received from him for their securities? I believe, mr. chairman, there is more just reason of alarm on this than on the other side of the question.

A gentleman from Pennsylvania (mr. Hartley) has noticed my arguments of yesterday, respecting a funding system. I beg leave to make a few observations in answer to him. He has said, that a funded debt is of great advantage to a nation, and has adduced the situation of England as a proof, founded in experience; but England is a solitary example; and the force of that example dwindles into nothing, if we examine into the real cause

of her seeming affluence. She does not owe much of respectability to her national debt; she owes the most of it, at present, to the troubles of other countries, and when those have subsided, the bubble of her credit may blow up, as did the South-sea project; for government stock can never be considered as cash. The stock employed in agriculture, commerce, and manufactures, may, by great prospects of advantage, be diverted into the hands of brokers, for the purpose of speculating farther in the funds, but no real addition will be made to the means of productive industry, nor was any thing of this kind contemplated at the time funding was first introduced into England. We learn, from Blackstone, that the reason for establishing a national debt, was supporting a system of foreign politics, and establishing the new succession, at the revolution; because it was deemed expedient to create a new interest, called the monied interest, in favor of the prince of Orange, in opposition to the landed interest, which was supposed to be generally in favor of the king, who had abdicated the throne. I hope there is, no such reason existing here; our government, I trust, is firmly established without the assistance of stock-jobbers; we ought to reign universally in the hearts of our fellow-citizens, on account of the salutary tendency of our measures to promote the general welfare; and not depend upon the support of a party, who have no other cause to esteem us, but because we realise their golden dreams of unlooked for success.

Another argument, in favor of an American funding system, may be urged from the probability of drawing considerable sums from Europe into this country. If Europeans send us their money to purchase the principal, let us remember, that they take that very money back as interest, and at a rate which abundantly indemnifies them for the loan. On the other hand, if the public securities are possessed by our own creditors, it will have the effect I mentioned before; it will take a capital from productive labor, and vest it in unproductive labor, if the term may be admitted; like an *ignis-fatuus*, it will deceive us, and lead us, and our posterity, into a wilderness of politics, from which we shall never be able to extricate ourselves. The secretary has told us, in his report, that exigencies in government may require new loans; and that we ought, therefore, so to establish our credit, as to

be enabled to borrow when necessary. Perhaps, mr. chairman, it would be politic to order our affairs in such a manner as to obtain all our supplies by taxation; because the people, feeling the effect of expensive measures, would be a check in restraining the general government from running into extravagance. The opinion of Blackstone is corroborated by another writer of great eminence. Smith, in his enquiry into the nature and causes of the wealth of nations, declares, that the practice of funding has enfeebled every state which has adopted it; and he asks, "If it is likely that, in Great-Britain alone, a practice, which has brought weakness or desolation into every country, should prove altogether innocent?" If such are the opinions of well-informed men, we ought to consider well what we are about, before we take such a dangerous leap in the dark. I have a great regard for the honor and credit of the United States, but I would not precipitately adopt a measure, which must, in the end, destroy both; for, when national debts have once been funded, and accumulated to a certain degree, there is scarce, I believe, a single instance of their having been fairly and completely paid: The liberation of the public revenues, if it has ever been brought about at all, has always been brought about by a bankruptcy; sometimes by an avowed one, but always by a real one, though frequently by a pretended payment.

Mr. STONE.

If we, by adopting the amendment proposed by the gentleman over the way, (mr. Scott) say, we will not provide for the payment of the public debts, until they are ascertained and duly liquidated, it amounts to a declaration, that, at this session, we will not enter upon it.— Now, whatever idea I have of a funding system, as to its advantages or disadvantages to the interest of the United States, I would not be willing to delay making a proper provision for paying what we have in our power to pay to the public creditors. I am willing, though before this is done, to go into a full and candid examination of the principles of a permanent system, and to ascertain, whether our situation will be mended by it.— For my part, sir, I expect very little advantage from schemes of revenue; it is the strong bias of my mind, that all such schemes are unequal to our situation. We are not like Britain, obliged to subsist upon public cre-

dit : Therefore, public credit is not the first object of our government, it is but a secondary consideration. No paper schemes, that tend in other countries to gain a factitious credit to the government, are necessary here. If the United States acquire credit, it will be gained when we evince, by our conduct, that we are determined, scrupulously, to comply with our engagements. This is not the work of a day, it will require the experience of years, before it arrives at that degree of stability which some gentlemen have in contemplation. But, what is the amount of all funding systems? They give a nation capacity to run in debt with the utmost facility; they neither encrease the riches, agriculture, commerce, or happiness of a country. But, if it has not money of its own to carry on the mad schemes of ambition, it supplies it with the means of purchasing mercenary soldiers, of shedding the blood of their neighbors, and of cutting so many more throats than they would otherwise be able to do. Factitious, or public credit, founded on schemes of borrowing, appear to me monuments of the folly and vice of mankind.

It would be a desirable thing, if we could pay off both the principal and interest of all the debt, according to the specific terms; and I hope an attempt will be made, as far as we have ability, to do it, in order to avoid a perpetual incumbrance.

MR. SMITH, (S. C.)

If we were about to contract debts for the purpose of funding them, the observations of the gentleman from Georgia would apply; but we have already contracted them, and the only question is, shall we fund, or pay? We must do one or the other. With respect to the remark of Blackstone's, he is writing of an enormous public debt, when he mentions it as injurious, because he expressly says, that, "a certain proportion of debt, seems to be highly useful to a trading people; but what that proportion is, it is not for me to determine." To be sure, he adds afterward, "that the present magnitude of our national encumbrances, very far exceeds all calculations of commercial benefit, and is productive of the greatest inconveniences;" and here I agree with him; but our public debt is not of such enormous magnitude, as to counterbalance the good effects of throwing out such a quantity of a stable paper, as will answer all the purposes of a circulating medium.

Mr. GERRY.

The amendment seems to be grounded on arguments, tending to shew a distinction between the foreign and domestic debt, which I believe does not exist in reality ; and an observation has been made by the gentleman from Georgia, that I should be sorry to find generally received : It is, that American independence was principally established by foreign loans. To ascertain this point, which I consider of some importance, it will be necessary to contrast the sums advanced by foreigners with the amount of the domestic debt. If gentlemen turn to the report of the secretary of the treasury, they will find that the foreign loans, with the interest due thereon, is estimated 11,710,378 dollars, the federal liquidated domestic debt, without interest, amounts to 27,383,917 ; the interest due thereon, with the unliquidated part, is 15,030,168, in all 42,244,085 dollars. The domestic state debts are about 25,000,000 dollars. So that the whole of the present domestic debt, amounts to 67,244,085 dollars, a sum nearly six times as much as the foreign debt. From this statement alone, it does not appear that our independence was established by foreign loans : But the disproportion will appear still greater, if we pursue the subject. By referring to the journals of congress of 1776, a period when there was little or no depreciation of the bills of credit, it will appear, that congress emitted that year 14 millions of dollars, and the sums expended by the states in the same year, if estimated at the proportion stated by the secretary, between the federal and state debts, will amount to about 8 millions, making the expenditure of 1776, about 22 millions of dollars. Our annual expences, during the war, were never computed at a less sum, being about 5 millions sterling. Great-Britain spent about 100 millions sterling in the contest ; this will average it about 12 and a half millions per annum ; and when we take in her unfunded and contingent expence, it will amount to 15 millions ; so that we cannot, on comparison, suppose we expended less. If then it is admitted, that the expences of the union was at least 22 millions of dollars, the whole expence of the war will be about 176 millions, to which the foreign loans bear about the proportion of one to sixteen.

Perhaps it will be asked, how was the part of this sum paid which is not now due? I answer, it was sunk in various ways. First, by depreciation, which has operated as a tax, to all intents and purposes, on the citizens of the United States; and also by classing the citizens, for the purpose of recruiting the army, by which they were often taxed three hundred dollars, as a bounty to every recruit; but, on an average, in Massachusetts, they paid at least 250 dollars for those recruited in this way.

Now, it appears from the journals of congress, that the foreign loans were obtained at such times, and in such sums, as bore no proportion to the domestic exertions. In 1778, the whole sum loaned by foreigners amounted to 583,330 dollars; in 1779, to 700,000 dollars; in 1780, to a million and a half; in 1781, to 2,300,000 dollars.—I believe, at that time, our independence was tolerably secure, yet no man can think it was established by the foreign loans: In my opinion, they had little to do with the business; for it must be remembered, that the expence of the United States, on the calculation I have made, amounted at that time to 1,56 millions of dollars. And to the end of the war, in loans and subsidies together, we received from foreigners, little more than three millions dollars. Surely, then, the citizens of America ought to have some credit for their exertions, and we are wrong in attempting to deprive them of the honor of establishing their independence; nor ought it to be supposed, that we hold our liberties at the mercy of foreigners.

It has been said, that there ought to be a discrimination between the foreign and domestic debt; because the former lent their money in solid coin, and the latter in a depreciated currency. I know very well, that part of this money was loaned in a depreciated state; but it has been reduced to specie value, on a scale fixed by congress; I therefore presume this is no just reason for a discrimination between them. The supplies were also furnished at a rate above specie value; but either they were paid for in continental money, when the money had further depreciated; or they were paid for in loan-office certificates, issued some time after the purchase, which were likewise liquidated, and here it may be sup-

posed the citizens had the worst of the bargain, because government fixed the scale of depreciation, without consulting the creditor ; this then does not warrant a discrimination.

Another reason, why we should make a discrimination is, that foreigners loaned their money at four per cent. and the citizens at six per cent. I deny that our foreign loans were procured at four per cent. The sums borrowed of the royal French treasury, were at five per cent. and here it will not be improper to observe, in opposition to what has been said, that that kingdom was deeply interested in the event of the war ; she expected to, and succeeded in, reducing a rival nation ; and it would appear, to an impartial by-stander, that, taking all circumstances together, the loans I now mention, ought to have been a subsidy. It would have been no great sacrifice for her, if she had given this three millions ; nay, I am persuaded she would have subsidized us to the amount of thirty millions, rather than have been defeated in the great object of the war. But the fact is, mr. chairman, of the loans procured of individuals, some were at 4, and some at 5 per cent. But in order to ascertain the weight of this objection, we ought to consider the time and situation of the lenders. At one time, when the citizens of the United States lent their money, there was a great degree of danger that they would be conquered and made slaves ; we were without resources or alliance, contending against one of the most potent nations of Europe : At another time, though we were in alliance with France, the exertions of Britain were such as to render the event doubtful ; when the French loans were made, the monarch thought little of the hazard, as he had embarked in the war. Money was procured in Holland, when guaranteed in France, and America was joined in the war by France, Spain, and Holland. It therefore appears to me, that 4 per cent. was a better interest at that time, than 6 per cent. was at the other : Beside this, the creditors of the United States lent their money, and left it with the government to fix its value : Surely, then, there is a difference between the foreign and domestic creditor, but it is in favor of the latter ; add to this, that the foreign creditor has been duly paid his interest, without loss ; the same was stipulated to the domestic creditor, but has he received it ? A few years it was paid in bills on France, some in depreciated paper, and since that in indents, depreciated from 50 to 90

per cent.—Here, then, again the domestic creditor has had the worst of the bargain.

It has been said, we ought to postpone the present business, in order to have time to convert our Western Territory into cash, for the purpose of paying our debts. I would ask the gentleman whether, if he had contracted a debt with a person, and given his bond for three years, and promised to pay annually the interest thereon, and the person had patiently waited ten years for it, without calling on him, because he knew his affairs were deranged; but finding his circumstances were improved, and he in a capacity to pay, at least the interest, he was to call upon him and say, sir, I should be glad to receive my bond, which has been so long due, or if it is inconvenient to pay the principal, I beg you to assign funds, out of which I may, in future, receive my interest; whether he would tell him, and it would be satisfactory, Sir, I think such a provision will be contrary to my interest; I have some vacant lands in some part of the world, which are worth money; but until I can sell them, and get cash for them, I cannot think of making the provision you require? Would not the creditor reply, sir, I have nothing to do with your land, here is your contract, which should have been discharged long ago; before your lands are sold, I and my family may be in our graves, for we have nothing to subsist on but your note, and we shall be starved to death if we have to wait any longer. The same will hold good with respect to the liquidation of the accounts: What, says the man, have I to do with your other accounts? You and me have settled, and I have your acknowledgment for the balance; you may put me off for ever, by telling me you have not yet ascertained, and duly liquidated all you owe: Indeed, if you mean to pay none until you have settled with all, it may be your interest that such a settlement should never take place.

My honorable friend from Georgia, has evinced a strong desire to pay the debts of the union, though he does not approve of funding them; but I conceive it to have been an implied contract, that the debt should be funded if it was not paid.

It appears to me, after all the delays and disadvantages the domestic creditor has sustained, we ought to make no discrimination between him and the foreigner; but it is contrary to the fact, that a discrimination ought to be made; certainly after he has been thus injured by the fault of

government, to still more reduce his property would be unjust; and you may as well reduce his principal as the interest, for the effect in either case is the same. I conceive that such a measure never can be agreeable to the people of the United States, because it is inconsistent with justice and common honesty. Why a difference, then, should take place between the domestic and foreign creditors, I cannot see; perhaps it may be thought politic; but I should consider it as a preferable thing, to have the esteem and support of the citizens of the union, than to be obliged to apply to foreigners for every aid we may require. The government must operate upon the people who live under it, not upon foreigners.

With respect to a discrimination among the domestic creditors, the question is not before the committee at this time, I shall therefore pass it by; but I will assure the committee, that I am not influenced by my interest on this question. I think, in my own mind, I can decide as if I was wholly disinterested, though I hold some few certificates in my own name (and they are all that I hold), they are to such a trifling amount, that I would cheerfully throw them up and return them to the public, if others would do the same, and destroy at once the subject of altercation.

I hope, whatever the decision of the committee may be, it will be decided on principles of honor and justice; that they will make no distinction or difference; they will not neglect to provide, in as ample a manner, for the debt of justice due to their own citizens, as they do for the foreign debt; if they do, the world will suppose that the *ultima* ~~res~~ *regum*, and not the principles of honor and justice were the influencing cause.

Mr. JACKSON

Never meant to derogate from the merit of his country in any thing he said; he knew well the hardships those brave men, who had nobly fought and bled to secure the liberties of America, had undergone. He had participated in some of them, and no man knew better how to esteem and venerate the patriotic citizens who had risked their all on the contest: But truth was a language dear to his heart, and he could not retract what he uttered by its dictates. He said it was to foreign loans that America was in a great measure indebted for her independence. What was it purchased the arms and ammunition that enabled her to make successful opposition to the troops of Britain, and her mercenary legions? What but the foreign loans? Without those mili-

tary supplies how could she have carried on the war? Could paper money buy cannon and muskets of Europeans? They could not: Then it was undoubtedly to foreign loans we owed the means of defence, if not of conquest.

Mr. TUCKER.

I very much applaud the gentleman who made the motion now before the committee, because he has boldly come forward to combat an opinion so generally received in this place, that many thought it could not be controverted by any man possessed of common honesty; and because I am persuaded, that he has done it with an honorable intention of substituting real and substantial justice, in the place of that which he deems to be only the name and the shadow.

Those gentlemen, who are the strongest advocates for no discrimination whatever, between the creditors of the union, seem to agree in a proposition that effects an important discrimination. They have assented to a resolution to provide adequate funds for the discharge of the foreign debt. This resolution I also agreed to, because I considered such a measure to be extremely proper; but now they propose to adopt a resolution to vary the terms of the domestic debt. It will be incumbent on those gentlemen to shew, that they do not, in this case, make an actual discrimination: If they cannot shew this, they allow that some discrimination is proper; then it will rest upon them to shew, how far this discrimination ought to go, and whether what they propose is the utmost?

Although it is probable, I differ with the gentleman who moved the amendment, I am inclined to think a discrimination of some kind is equitable and necessary. I believe it may be fairly said, that there are three classes of domestic creditors: The first, those who hold the continental bills of credit, which have been long out of circulation. 2d. Those who hold certificates, that were given for services or supplies, in their own names. And, 3d. Those who hold certificates by purchase. I would wish to consider the obligation to each of these three classes as precisely the same; or whether, in equity, some kind of discrimination may not be made. On a strict and impartial examination, I am inclined to believe they will not appear to be the same. I will now turn to the examination of the first; namely, the holders of the continental bills of credit. The secretary of the treasury has

reported in favor of some degree of provision being made for them. But, sir, what is the situation of the people who hold these bills? If I recollect right, the face of the bills declare, that the bearer shall be entitled to receive so many Spanish milled dollars as is thereon expressed. When these bills were issued, their real value was equal to their nominal value, no person refused, or wished to refuse, them as such; but, in a short time, too large a quantity were issued, and they began to depreciate. Congress then recommended to the several states to pass tender-laws for the support of their credit. This was done by all the states; and they continued, in some of them, to pass as specie, under those laws, when they were depreciated 20, 30, and 40 for one. Those people, who received them in this state, suffered a very great loss by an act of the government, and many were ruined by the measure. When these bills had thus depreciated, congress passed a resolution, calling them in at forty for one. This ordinance of congress, immediately reduced the claims of the first class of creditors by an arbitrary act of power: I do not pretend to say that the measure was unnecessary, but it was rigorous to deprive them of 39-40ths of their claim. Perhaps we cannot return to all the transactions of that time, because it would involve the government in a thousand difficulties, and produce, perhaps, greater evils than it would remedy. But there remains a claim upon our justice to pay the holders one dollar, at least, for forty. By the act of congress, which I alluded to before, these bills were thrown out of circulation, and have ever since laid in the hands of individuals. Now, it appears to me, that, in equity, we ought to make all the reparation in our power: Surely, then, we ought to allow interest on the principal from the time the bills were issued, and forced out of circulation. These creditors, I take it, have a strong claim upon us; because the government has materially injured them, and the least satisfaction we can give them, is to put this part of the debt on the best footing we can; if we cannot do complete justice, let us approximate towards it as far as is in our power.

The second class of our creditors have obligations that are strong. It has been said, and generally passed current as an incontroyertable opinion, that those who transferred their certificates, have conferred to the purchaser

every claim they had upon the public. I mean, fir, to deny this assertion. There is a claim which they could not transfer, that is, a claim in equity ; they were entitled to the principal sum when they presented their accounts to the United States, and we ought, in justice, to have paid it at that time ; but, perhaps, from our inability to do this, we were obliged to force on them a certificate of the balance, with a promise to pay them an annual interest thereon ; but a promise to pay the interest, does not exonerate us from paying the principal, as soon as we have it in our power. Now, this is a claim which the original creditor, who parted with the evidence of his debt, did not transfer to the person to whom he sold it. The United States are under no contract with the purchaser who bought a loaned debt, to pay him any thing more than what the paper specifies, that is, to pay him the interest from year to year, but not the principal, until we find it convenient.

If we are not able to pay the person with whom the government contracted, the principal sum due to him, but are obliged to fund it for the purpose of securing the annual payment of the interest ; the same reason that authorises us to procrastinate the discharge of the whole amount, which the government justly acknowledges ought to be paid, will warrant us to delay the payment of a part of the interest due to the purchaser, which is all he has a right to claim of the United States, for he bought only a certificate, or loaned debt, on which government had stipulated to pay a certain annual interest.

In this case, I admit, we do not administer strict justice, but what we do, we do in an impartial manner. By funding the 1st & 2d class, at 6 per cent. payable from the present time, we enable them, perhaps, to get $13\frac{3}{4}$ or $15\frac{1}{2}$ in the pound, for their principal ; or, if it should hereafter arise to the nominal value, it is not complete justice ; because, the payment, at that time, may not be so advantageous as it would be at the present. I would wish, therefore, to secure the payment of the interest to the two first classes of creditors, by appropriating the funds particularly to that purpose.

Then, with respect to the third class, if the residue of the revenue is insufficient to pay them the interest on their whole principal, I would give them certificates for such part as we are able to provide for the payment of the interest upon, at 6 per cent. to be paid in the same manner

with the others. And I would give them other certificates for the remainder, on a like interest of 6 per cent. the payment whereof should commence at a fixed period, say 3, 4, or 5 years, as it might be found that the encreasing resources of our country would enable us to do ; but I would undertake nothing now beyond our present ability.

I believe it will not be deemed unjust to make provision on these principles ; I would, therefore, immediately set about providing funds for the purpose, and pay to the first and second class their full interest ; but I believe, if we do this for them, we shall not be able, in our present situation, to provide interest for more than half the principal of the third.

The proposition, in its original form, as introduced by the member from Pennsylvania (mr. Fitzsimons) appears to me to be inconsistent with the subsequent ones, as well as inconsistent with the present situation of the United States : After adopting a resolution, declaring that permanent funds ought to be appropriated for the payment of the interest on the domestic debt, to go on and say that we will pay but the two-thirds of that interest, will never be a compliance with our engagements. It is inconsistent with our present situation, because it does not appear, from any estimates made of the resources of the United States, that we are able to pay the full interest of 6 per cent. on the whole debt, taking into consideration the continental bills, with the interest already accrued thereon, which, according to my supposition, will amount to about two millions and a half dollars. It appears, from the secretary's report, that he contemplates no provision for the payment of any thing more at present than 4 per cent. so the resolution is inconsistent with our situation, as well as with the following ones ; therefore, it will be necessary, before the question is taken, to modify it, by adding the words " as shall appear consistent with equity, and the present and improving resources of the nation ;" I say consistent with equity, because there may be a discrimination on that principle, in point of time and the present resources, because I think we cannot now make full payment of what I acknowledge to be due ; but I add, our improving resources, because I think they will enable us to do complete justice in a short time.

The question was now taken on mr. Scott's motion, and that being lost,

Mr. BURKE

Moved the following amendment to the original resolu-

tion, "provided a discrimination be made between the original holders and their assignees, and that a scale of depreciation be prepared accordingly;" this being seconded, was laid on the table.

When, on motion, the committee rose, and reported progress, and the house adjourned.

F E B R U A R Y 11.

Mr FITZSIMONS presented the following address.

*To the SENATE and HOUSE of REPRESENTATIVES
of the UNITED STATES.*

The address of the people called Quakers, in their annual assembly convened.

Firmly believing that unfeigned righteousness in public as well as private stations, is the only sure ground of hope, for the Divine blessing; whence alone rulers can derive true honor, establish sincere confidence in the hearts of the people, and feeling their minds animated with the ennobling principle of universal good-will to men, find a conscious dignity and felicity in the harmony and success attending the exercise of a solid uniform virtue, short of which the warmest pretensions to public spirit, zeal for our country, and the rights of men, are fallacious and illusive.

Under this persuasion, as professors of faith in that ever blessed all-perfect Lawgiver, whose injunctions remain of undiminished obligation on all who profess to believe in him, "whatsoever ye would that men should do unto you, do you even so unto them;" we apprehend ourselves religiously bound to request your serious christian attention, to the deeply interesting subject, whereon our religious society, in their annual assembly, on the tenth month, 1783, addressed the then congress, who, though the christian rectitude of the concern, was by the delegates generally acknowledged, yet not being vested with the powers of legislation, they declined promoting any public remedy against the gross national iniquity of trafficking in the persons of fellow-men; but divers of the legislative bodies of the different states, on this continent, have since manifested their sense of the public detestation due to the licentious wickedness of the African trade for slaves; and the inhuman tyranny, and blood guiltiness, inseparable from it: The debasing influence whereof, most certainly tends to lay waste the virtue, and of course, the happiness of the people.

Many are the enormities abhorrent to common humanity, and common honesty; which, under the federal countenance given to this abominable commerce, are practised in some

of the United States; which we judge it not needful to particularise to a body of men, chosen as eminently distinguishable for wisdom, as extensive information: But we find it indispensibly incumbent on us, as a religious body, assuredly believing that both the true temporal interest of nations, and eternal well-being of individuals, depend on doing justly, loving mercy, and walking humbly before God, the creator, preserver and benefactor of men, thus to attempt to excite your attention to the affecting subject; earnestly desiring that the infinite Father of spirits, may so enrich your minds with his love and truth, and so influence your understandings, by that pure wisdom which is full of mercy and good fruits, as that a sincere and impartial enquiry may take place, whether it be not an essential part of the duty of your exalted station, to exert upright endeavors, to the full extent of your power, to remove every obstruction to public righteousness, which the influence of artifice of particular persons, governed by the narrow mistaken views of self-interest, has occasioned, and whether, notwithstanding such seeming impediments, it be not in reality within your power to exercise justice and mercy, which, if adhered to, we cannot doubt, must produce the abolition of the slave trade.

We consider this subject so essentially and extensively important, as to warrant a hope, that the liberty we now take, will be understood, as it really is, a compliance with a sense of religious duty; and that your christian endeavors to remove reproach from the land, may be efficacious to sweeten the labor, and lessen the difficulties incident to the discharge of your important trust.

Signed in and on behalf of the yearly meeting, for Pennsylvania, New-Jersey, Delaware and the Western parts of Maryland and Virginia; held by adjournments from the twenty-eighth day of the ninth month, to the third day of the tenth month, inclusive, 1789, by Nicholas Waln, clerk to the meeting this year.

Mr. LAWRENCE presented an address from the society of Friends, in the city of New-York; in which they set forth their desire of co-operating with their southern brethren.

Mr. HARTLEY then moved to refer the address of the annual assembly of Friends, held at Philadelphia, to a committee; he thought it a mark of respect due so numerous and respectable a part of the community.

Mr. WHITE seconded the motion.

Mr. SMITH, (S. C.)

However respectable the petitioners may be, I hope gentlemen will consider that others equally respectable are opposed to the object which is aimed at, and are entitled to an opportunity of being heard before the question is determined. I flatter myself gentlemen will not press the point of commitment to day, it being contrary to our usual mode of procedure.

Mr. FITZSIMONS.

If we were now about to determine the final question, the observation of the gentleman from South-Carolina would apply; but, sir, the present question does not touch upon the merits of the case; it is merely to refer the memorial to a committee, to consider what is proper to be done; gentlemen, therefore, who do not mean to oppose the commitment to-morrow, may as well agree to it to-day, because it will tend to save the time of the house.

Mr. JACKSON

Wished to know why the second reading was to be contended for to-day, when it was diverting the attention of the members from the great object that was before the committee of the whole? Is it because the feelings of the Friends will be hurt, to have their affair conducted in the usual course of business? Gentlemen, who advocate the second reading to-day, should respect the feelings of the members who represent that part of the union which is principally to be affected by the measure. I believe, sir, that the latter class consists of as useful and as good citizens as the petitioners, men equally friends to the revolution, and equally susceptible of the refined sensations of humanity and benevolence. Why then should such particular attention be paid to them, for bringing forward a business of questionable policy? If congress are disposed to interfere in the importation of slaves, they can take the subject up without advisers, because the constitution expressly mentions all the power they can exercise on the subject.

Mr. SHERMAN

Suggested the idea of referring it to a committee, to consist of a member from each state, because several states had already made some regulations on this subject: The sooner the subject was taken up he thought it would be the better.

Mr. PARKER.

I hope, mr. speaker, the petition of these respectable

people, will be attended to with all the readiness the importance of its object demands; and I cannot help expressing the pleasure I feel in finding so considerable a part of the community attending to matters of such a momentous concern to the future prosperity and happiness of the people of America. I think it my duty, as a citizen of the union, to espouse their cause; and it is incumbent upon every member of this house to sift the subject well, and ascertain what can be done to restrain a practice so nefarious. The constitution has authorised us to levy a tax upon the importation of such persons as the states shall authorise to be admitted: I would willingly go to that extent; and if any thing further can be devised to discountenance the trade, consistent with the terms of the constitution, I shall cheerfully give it my assent and support.

Mr. MADISON.

The gentleman from Pennsylvania (Mr. Fitzsimons) has put this question on its proper ground; if gentlemen do not mean to oppose the commitment to-morrow, they may as well acquiesce in it to-day; and, I apprehend, gentlemen need not be alarmed at any measure it is likely congress should take; because they will recollect, that the constitution secures to the individual states, the right of admitting, if they think proper, the importation of slaves into their own territory, for eighteen years yet unexpired; subject, however, to a tax, if congress are disposed to impose it, of not more than ten dollars on each person.

The petition, if I mistake not, speaks of artifices used by self-interested persons to carry on this trade; and the petition from New-York states a case, that may require the consideration of congress. If any thing is within the federal authority to restrain such violation of the rights of nations, and of mankind, as is supposed to be practised in some part of the United States, it will certainly tend to the interest and honor of the community to attempt a remedy, and is a proper subject for our discussion. It may be, that foreigners take the advantage of the liberty afforded them by the American trade, to employ our shipping in the slave trade between Africa and the West-Indies, when they are restrained from employing their own by restrictive laws of their nation. If this is the case, is there any person of humanity that would not wish

to prevent them? Another consideration, why we should commit the petition is, that we may give no ground of alarm by a serious opposition, as if we were about to take measures that were unconstitutional.

Mr. STONE

Fear'd, that if congress took any measures, indicative of an intention to interfere with the kind of property alluded to, it would sink it in value very considerably, and might be injurious to a great number of the citizens, particularly in the southern states.

He thought the subject was of general concern, and that the petitioners had no more right to interfere with it than any other members of the community. It was an unfortunate circumstance, that it was the property of sects to imagine they understood the rights of human nature better than all the world beside; and that they would, in consequence, be meddling with concerns in which they had nothing to do.

As the petition relates to a subject of a general nature, it ought to lie on the table as information; he would never consent to refer petitions, unless the petitioners were exclusively interested. Suppose there was a petition to come before us from a society, praying us to be honest in our transactions, or that we should administer the constitution according to its intention, what would you do with a petition of this kind? Certainly it would remain on your table: He would, nevertheless, not have it supposed, that the people had not a right to advise and give their opinion upon public measures; but he would not be influenced by that advice or opinion, to take up a subject sooner than the convenience of other business would admit. Unless he changed his sentiments, he would oppose the commitment.

Mr. BURKE

Thought gentlemen were paying attention to what did not deserve it. The men in the gallery had come here to meddle in a business with which they have nothing to do; they were volunteering it in the cause of others, who neither expected nor desired it: He had a respect for the body of Quakers, but, nevertheless, he did not believe they had more virtue, or religion, than other people, nor perhaps so much, if they were examined to the bottom, notwithstanding their outward pretences. If their petition is to be noticed, congress ought to wait till coun-

ter applications were made, and then they might have the subject more fairly before them : The rights of the southern states ought not to be threatened, and their property endangered, to please people who were to be unaffected by the consequences.

Mr. HARTLEY

Thought the memorialists did not deserve to be aspersed for their conduct, if influenced by motives of benignity, they solicited the legislature of the union to repel, as far as in their power, the increase of a licentious traffic ; nor do they merit censure, because their behavior has the appearance of more morality than other people's. But it is not for congress to refuse to hear the applications of their fellow-citizens, while those applications contain nothing unconstitutional or offensive. What is the object of the address before us ? It is intended to bring, before this house, a subject of great importance to the cause of humanity ; there are certain facts to be enquired into, and the memorialists are ready to give all the information in their power ; they are waiting, at a great distance from their homes, and wish to return ; if, then, it will be proper to commit the petition to-morrow, it will be equally proper to-day, for it is conformable to our practice, beside, it will tend to their convenience.

Mr. LAWRENCE.

The gentleman from South-Carolina says, the petitioners are of a society not known in the laws or constitution. Sir, in all our acts, as well as in the constitution, we have noticed this society ; or, why is it that we admit them to affirm in cases where others are called upon to swear ? If we pay this attention to them, in one instance, what good reason is there for contemning them in another ? I think the gentleman from Maryland (Mr. Stone) carries his apprehensions too far, when he fears, that negro-property will fall in value, by the suppression of the slave-trade ; not that I suppose it immediately in the power of congress to abolish a traffic which is a disgrace to human nature ; but it appears to me, that, if the importation was crushed, the value of a slave would be increased instead of diminished ; however, considerations of this kind have nothing to do with the present question ; gentlemen may acquiesce in the commitment of the

memorial, without pledging themselves to support its object.

Mr. JACKSON.

I differ much in opinion with the gentleman last up. I apprehend, if through the interference of the general government, the slave-trade was abolished, it would evince to the people a disposition toward a total emancipation, and they would hold their property in jeopardy. Any extraordinary attention of congress to this petition may have, in some degree, a similar effect. I would beg to ask those, then, who are desirous of freeing the negroes, if they have funds sufficient to pay for them? If they have, they may come forward on that business with some propriety; but, if they have not, they should keep themselves quiet, and not interfere with a business in which they are not interested: They may as well come forward, and solicit congress to interdict the West-India trade, because it is injurious to the morals of mankind; from thence we import rum, which has a debasing influence upon the consumer. But, sir, is the whole morality of the United States confined to the Quakers? Are they the only people whose feelings are to be consulted on this occasion? Is it to them we owe our present happiness? Was it they who formed the constitution? Did they, by their arms, or contributions, establish our independence? I believe they were generally opposed to that measure: Why, then, on their application, shall we injure men, who, at the risk of their lives and fortunes, secured to the community their liberty and property? If congress pay any uncommon degree of attention to their petition, it will furnish just ground of alarm to the southern states. But, why do these men set themselves up, in such a particular manner, against slavery? Do they understand the rights of mankind, and the disposition of Providence, better than others? If they were to consult that book, which claims our regard, they will find that slavery is not only allowed, but commended: Their Saviour, who possessed more benevolence and compassion than they pretend to, has allowed of it: And, if they fully examine the subject, they will find, that slavery has been no novel doctrine since the days of Cain; but be these things as they may, I hope the house will order the petition to lie on the table, in order to prevent alarming our southern brethren.

Mr. SEDGWICK

If it was a serious question, whether the memorial should be committed or not, I would not urge it at this time ; but that cannot be a question for a moment, if we consider our relative situation with the people. A number of men, who are certainly very respectable, and of whom, as a society, it may be said, with truth, that they conform their moral conduct to their religious tenets, as much as any people in the whole community, come forward and tell you, that you may effect two objects by the exercise of a constitutional authority, which will give great satisfaction ; on the one hand you may acquire revenue, and on the other, restraint, a practice productive of great evil. Now, setting aside the religious motives which influence their application, have they not a right, as citizens, to give their opinion of public measures ? For my part, I do not apprehend that any state, or any considerable number of individuals in any state, will be seriously alarmed at the commitment of the petition, from a fear that congress intend to exercise an unconstitutional authority, in order to violate their rights ; I believe there is not a wish of the kind entertained by any member of this body ; how can gentlemen hesitate, then, to pay that respect to a memorial which it is entitled to, according to the ordinary mode of procedure in business ? Why shall we defer doing that till to-morrow, which we can do to-day, for the result, I apprehend, will be the same in either case.

Mr. SMITH, (S. C.)

The question, I apprehend, is whether we will take the petition up for a second reading, and not whether it shall be committed ? Now, I oppose this, because it is contrary to our usual practice, and does not allow gentlemen time to consider of the merits of the prayer : Perhaps some gentlemen may think it improper to commit it to so large a committee as has been mentioned ; a variety of causes may be supposed to shew that such an hasty decision is improper ; perhaps the prayer of it is improper. If I understood it right, on its first reading, tho', to be sure, I did not comprehend perfectly all that the petition contained, it prays that we should take measures for the abolition of the slave trade ; this is desiring an unconstitutional act, because the constitution secures that trade to the states, independent of congressional restrictions, for the term of 21 years : If, therefore, it prays for a violation of constitutional rights, it

ought to be rejected, as an attempt upon the virtue and patriotism of the house.

Mr. BOUDINOT.

It has been said, that the Quakers have no right to interfere in this business; I am surprised to hear this doctrine advanced, after it has been so lately contended, and settled, that the people have a right to assemble and petition for redress of grievances; it is not because the petition comes from the society of Quakers that I am in favor of the commitment, but because it comes from citizens of the United States, who are as equally concerned in the welfare and happiness of their country as others. There certainly is no foundation for the apprehensions which seem to prevail in gentlemen's minds. If the petitioners were so uninformed as to suppose that congress could be guilty of a violation of the constitution, yet, I trust we know our duty better than to be led astray by an application from any man, or set of men, whatever. I do not consider the merits of the main question to be before us; it will be time enough to give our opinions upon that when the committee have reported: If it is in our power, by recommendation, or any other way, to put a stop to the slave-trade in America, I do not doubt of its policy; but how far the constitution will authorise us to attempt to depress it, will be a question well worthy of our consideration.

Mr. SHERMAN

Observed, that the petitioners from New-York, stated that they had applied to the legislature of that state, to prohibit certain practices which they conceived to be improper, and which tended to injure the well-being of the community; that the legislature had considered the application, but had applied no remedy, because they supposed that power was exclusively vested in the general government under the constitution of the United State; it would, therefore, be proper to commit that petition, in order to ascertain, what were the powers of the general government, in the case doubted by the legislature of New-York.

Mr. GERRY

Thought gentlemen were out of order in entering upon the merits of the main question at this time, when they were considering the expediency of committing the petition; he should, therefore, not follow them further in that tract than barely to observe, that it was the right of the citizens to apply for redress, in every case they conceived themselves aggrieved in; and it was the duty of congress to afford redress

as far as in their power. That their southern brethren had been betrayed into the slave-trade, by the first settlers, was to be lamented ; they were not to be reflected on for not viewing this subject in a different light, the prejudice of education is eradicated with difficulty ; but he thought nothing would excuse the general government for not exerting itself to prevent, as far as they constitutionally could, the evils resulting from such enormities as were alluded to by the petitioners ; and the same considerations induced him highly to commend the part the society of Friends had taken ; it was the cause of humanity they had interested themselves in, and he wished, with them, to see measures pursued by every nation, to wipe off the indelible stain which the slave-trade had brought upon all who were concerned in it.

Mr. MADISON

Thought the question before the committee was no otherwise important than as gentlemen made it so by their serious opposition. Did they permit the commitment of the memorial, as a matter of course, no notice would be taken of it out of doors ; it could never be blown up into a decision of the question respecting the discouragement of the African slave-trade, nor alarm the owners with an apprehension that the general government were about to abolish slavery in all the states ; such things are not contemplated by any gentleman ; but, to appearance, they decide the question more against themselves than would be the case if it was determined on its real merits, because gentlemen may be disposed to vote for the commitment of a petition, without any intention of supporting the prayer of it.

Mr. WHITE

Would not have seconded the motion, if he had thought it would have brought on a lengthy debate. He conceived that a business of this kind ought to be decided without much discussion ; it had constantly been the practice of the house, and he did not suppose there was any reason for a deviation.

Mr. PAGE,

Said, if the memorial had been presented by any individual, instead of the respectable body it was, he should have voted in favor of a commitment, because it was the duty of the legislature to attend to subjects brought before them by their constituents ; if, upon enquiry, it was discovered to be improper to comply with the prayer of the petitioners, he would say so, and they would be satisfied.

Mr. STONE

Thought the business ought to be left to take its usual course; by the rules of the house, it was expressly declared, that petitions, memorials and other papers, addressed to the house, should not be debated or decided on the day they were first read.*

Mr. BALDWIN

Felt at a loss to account why precipitation was used on this occasion, contrary to the customary usage of the house: He had not heard a single reason advanced in favor of it. To be sure it was said the petitioners are a respectable body of men—he did not deny it—but, certainly, gentlemen did not suppose they were paying respect to them, or to the house, when they urged such a hasty procedure; any how it was contrary to his idea of respect, and the idea the house had always expressed, when they had important subjects under consideration; and, therefore, he should be against the motion. He was afraid that there was really a little volunteering in this business, as it had been termed by the gentleman from Georgia.

Mr. HUNTINGTON

Considered the petitioners as much disinterested as any person in the United States; he was persuaded they had an aversion to slavery, yet they were not singular in this, others had the same; and he hoped, when congress took up the subject, they would go as far as possible to prohibit the evil complained of: But he thought that would better be done by considering it in the light of revenue; when the committee of the whole, on the finance business, came to the ways and means, it might properly be taken into consideration, without giving any ground for alarm.

Mr. TUCKER.

I have no doubt on my mind respecting what ought to be done on this occasion; so far from committing the memorial, we ought to dismiss it without further notice: What is the purport of the memorial? It is plainly this, to reprobate a particular kind of commerce, in a moral view, and to request the interposition of congress to effect its abrogation: But congress have no authority, under the constitution, to do more than lay a duty of ten dollars upon each person imported; and this is a political consideration, not arising from either religion or morality, and is the only principle upon which we can proceed to take it up. But

* See Vol. I. Page 9.

what effect do these men suppose will arise from their exertions? Will a duty of ten dollars diminish the importation? Will the treatment be better than usual? I apprehend it will not, nay, it may be worse; because an interference with the subject, may excite a great degree of restlessness in the minds of those it is intended to serve, and that may be a cause for the masters to use more rigor towards them, than they would otherwise exert: So that these men seem to overshoot their object. But if they will endeavor to procure the abolition of the slave trade, let them prefer their petitions to the state legislatures, who alone have the power of forbidding the importation: I believe their applications there would be improper; but if they are any where proper, it is there. I look upon the address then to be ill-judged, however good the intention of the framers.

Mr. SMITH claimed it as a right, that the petition should lay over till to-morrow.

Mr. BOUDINOT

Said it was not unusual to commit petitions on the day they were presented; and the rules of the house admitted the practice, by the qualification which followed the positive order, that petitions should not be decided on the day they were first read, "unless where the house shall direct otherwise."

Mr. SMITH declared his intention of calling the yeas and nays, if gentlemen persisted in pressing the question.

Mr. CLYMER

Hoped the motion would be withdrawn for the present, and the business taken up in course to-morrow; because, though he respected the memorialists, he also respected order, and the situation of the members.

Mr. FITZSIMONS

Did not recollect whether he moved or seconded the motion, but if he had, he should not withdraw it on account of the threat of calling the yeas and nays.

Mr. BALDWIN hoped the business would be conducted with temper and moderation, and that gentlemen would conceed and pass the subject over for a day at least.

Mr. SMITH had no idea of holding out a threat to any gentleman: If the declaration of an intention to call the yeas and nays was viewed by gentlemen in that light, he would withdraw that call.

Mr. WHITE hereupon withdrew his motion,
And the address was ordered to lie on the table.

The house then resolved itself into a committee of the whole, on the report of the secretary of the treasury.

Mr. BALDWIN in the chair.

Mr. BURKE's amendment being under consideration.

Mr. SMITH, (S. C.)

Was proceeding to point out its impropriety, when a message came down from the senate, and the committee rose, in order that the house might receive the same. The purport of the message was to inform the house that the senate had passed a resolve, empowering the president of the United States to appoint three commissioners to enquire into the receipts and expenditures of public monies, during the administration of the late superintendant of finance, and to examine and adjust the accounts of the United States, with that department, during his administration, and to report a state thereof to congress—and to request the concurrence of the house thereto.

The house then went again into a committee, on the report of the secretary of the treasury.

Mr. BURKE

Said, he had brought his motion forward, in consequence of a hasty promise he had given a member of this house; but as he did not mean to support it, or vote for it, he thought it would be giving the committee trouble for nothing, and therefore he would withdraw it.

Mr. MADISON.

No gentleman, mr. chairman, has expressed more strongly, than I feel, the importance and difficulty of the subject before us. Although I have endeavored to view it under all its aspects, and analyze it in all its principles; yet have I kept my mind open, and been anxious to aid my own reflections, by the reflected light to be expected from gentlemen on this floor who enter into the discussion. For this purpose, I chused hitherto, rather to be a hearer than a speaker on the subject, and should even at this moment have continued in my seat, but that the turn which the business has taken, renders it requisite for me now, if at all, to trouble the committee with my reflections, and the opinion in which they have terminated.

It has been said, by some gentlemen, that the debt itself does not exist in the extent, and form which is generally supposed. I confess, sir, I differ altogether from

the gentleman who takes that ground. Let us consider, first, by whom the debt was contracted, and then let us consider, sir, to whom it is due. The debt was contracted by the United States, who, with respect to that particular transaction, were in a national capacity. The government was nothing more than the agent, or organ, by which the whole body of the people acted: The change in the government which has taken place, has enlarged its national capacity, but it has not varied the national obligation, with respect to the engagements entered into by that transaction: For, in like manner, the present government is nothing more than the organ, or agent, of the public. The obligation which they are under, is precisely the same with that under which the debt was contracted; although the government has been changed, the nation remains the same. There is no change in our political duty, nor in the moral or political obligation. The language I now use, sir, is the language of the constitution itself; it declares, that all debts shall have the same validity against the United States, under the new, as under their old form of government. The obligation remains the same, though I hope experience will prove that the ability has been favorably varied.

The next question is, to what amount the public are at present engaged? I conceive the question may be answered in a few words. The United States owe the value they received, which they acknowledge, and which they have promised to pay: What is that value? It is a certain sum in principal, bearing an interest of six per cent. No logic, no magic, in my opinion, can diminish the force of the obligation.

The only point on which we can deliberate is, to whom the payment is really due; for this purpose, it will be proper to take notice of the several descriptions of people who are creditors of the union, and lay down some principles respecting them, which may lead us to a just and equitable decision. As there is a small part of the debt yet unliquidated, it may be well to pass it by, and come to the great mass of the liquidated debt. It may here be proper to notice four classes into which they may be divided.

First. Original creditors, who have never alienated their securities.

Second. Original creditors, who have alienated.

Third. Present holders of alienated securities.

Fourth. Intermediate holders, through whose hands securities have circulated.

The only principles that can govern the decision on their respective pretensions, I take to be, 1. Public justice; 2. public faith; 3. public credit; 4. public opinion.

With respect to the first class, there can be no difficulty. Justice is in their favor, for they have advanced the value which they claim; public faith is in their favor, for the written promise is in their hands; respect for public credit is in their favor, for if claims so sacred are violated, all confidence must be at an end; public opinion is in their favor, for every honest citizen cannot but be their advocate.

With respect to the last class, the intermediate holders, their pretensions, if they have any, will lead us into a labyrinth, for which it is impossible to find a clue.— This will be the less complained of, because this class were perfectly free, both in becoming, and ceasing to be creditors; and because, in general, they must have gained by their speculations.

The only rival pretensions, then, are those of the original creditors, who have assigned, and of the present holders of the assignments.

The former may appeal to justice, because the value of the money, the service, or the property advanced by them, has never been really paid to them.

They may appeal to good faith, because the value stipulated and expected is not satisfied by the steps taken by the government. The certificates put into the hands of the creditors, on closing their settlements with the public, were of less real value than was acknowledged to be due; they may be considered as having been forced, in fact, on the receivers. They cannot, therefore, be fairly adjudged an extinguishment of the debt. They may appeal to the motives for establishing public credit, for which justice and faith form the natural foundation. They may appeal to the precedent furnished by the compensation allowed to the army during the late war, for the depreciation of bills, which nominally discharged the debts. They may appeal to humanity, for the sufferings of the military part of the creditors can never be forgot-

ten, while sympathy is an American virtue. To say nothing of the singular hardship, in so many mouths, of requiring those who have lost four-fifths or seven-eighths of their due, to contribute the remainder in favor of those who have gained in the contrary proportion.

On the other hand, the holders by assignment, have claims, which I by no means wish to depreciate. They will say, that whatever pretensions others may have against the public, these cannot affect the validity of theirs: That if they gain by the risk taken upon themselves, it is but the just reward of that risk: That as they hold the public promise, they have an undeniable demand on the public faith: That the best foundation of public credit, is that adherence to literal engagements on which it has been erected by the most flourishing nations: That if the new government should swerve from so essential a principle, it will be regarded by all the world as inheriting the infirmities of the old. Such being the interfering claims on the public, one of three things must be done; either pay both, reject wholly one or the other, or make a *composition* between them on some principle of equity. To pay both, is perhaps beyond the public faculties; and as it would far exceed the value received by the public, it will not be expected by the world, nor even by the creditors themselves; to reject wholly the claims of either, is equally inadmissible; such a sacrifice of those who possess the written engagements, would be fatal to the proposed establishment of public credit; it would moreover punish those who had put their trust in the public promises and resources. To make the other class the sole victims was an idea at which human nature recoiled.

A composition, then, is the only expedient that remains; let it be a liberal one, in favor of the present holders; let them have the highest price which has prevailed in the market; and let the residue belong to the original sufferers. This will not do perfect justice; but it will do more real justice, and perform more of the public faith, than any other expedient proposed. The present holders, where they have purchased at the lowest price of the securities, will have a profit that cannot reasonably be complained of; where they have purchased at a higher price, the profit will be considerable; and even the few who have purchased at the

highest price cannot well be losers, with a well funded interest of 6 per cent. The original sufferers will not be fully indemnified ; but they will receive, from their country a tribute due to their merits, which, if it does not entirely heal their wounds, will assuage the pain of them. I am aware, that many plausible objections will lie against what I have suggested, some of which, I foresee, will be taken some notice of. It will be said, that the plan is impracticable ; should this be demonstrated, I am ready to renounce it ; but it does not appear to me in that light. I acknowledge that such a scale, as has often been a subject of conversation, is impracticable.

The discrimination proposed by me, requires nothing more than a knowledge of the present holders, which will be shown by the certificates ; and of the original holders, which the office documents will shew. It may be objected, that if the government is to go beyond the literal, into the equitable claims against the United States, it ought to go back to every case where in justice has been done. To this the answer is obvious: The case in question, is not only different from others in point of magnitude and of practicability, but forces itself on the attention of the committee, as necessarily involved in the business before them. It may be objected, that public credit will suffer, especially abroad : I think this danger will be effectually obviated by the honesty and disinterestedness of the government displayed in the measure, by a continuance of the punctual discharge of foreign interest, by the full provision to be made for the whole foreign debt, and the equal punctuality I hope to see in the future payments on the domestic debts. I trust also, that all future loans will be founded on a previous establishment of adequate funds ; and that a situation, like the present, will be thereby rendered impossible.

I cannot but regard the present case as so extraordinary, in many respects, that the ordinary maxims are not strictly applicable to it. The fluctuations of stock in Europe, so often referred to, have no comparison with those in the United States. The former never exceeded 50, 60, or 70 per cent: Can it be said, that because a government thought this evil insufficient to justify an interference, it would view in the same light a fluctuation amounting to seven or 800 per cent ?

I am of opinion, that were Great-Britain, Holland, or any other country, to fund its debts precisely in the same situation as the American debt, some equitable interference of the government would take place. The South-Sea scheme, in which a change, amounting to 1000 per cent. happened in the value of stock, is well known to have produced an interference, and without any injury whatever to the subsequent credit of the nation. It is true, that, in many respects, the case differed from that of the United States; but, in other respects, there is a degree of similitude, which warrants the conjecture. It may be objected, that such a provision as I propose, will exceed the public ability: I do not think the public unable to discharge honorably all its engagements, or that it will be unwilling, if the appropriations shall be satisfactory. I regret, as much as any member, the unavoidable weight and duration of the burdens to be imposed; having never been a proselyte to the doctrine, that public debts are public benefits. I consider them, on the contrary, as evils which ought to be removed as fast as honor and justice will permit, and shall heartily join in the means necessary for that purpose. I conclude with declaring, as my opinion, that if any case were to happen among individuals, bearing an analogy to that of the public, a court of equity would interpose its redress; or that if a tribunal existed on earth, by which nations could be compelled to do right, the United States would be compelled to do something not dissimilar in its principles to what I have contended for.

Mr. LIVERMORE

Wished the amendment, he had formerly mentioned, might be made to the original proposition; it was, to insert, before the word "interest," the words, "at a certain rate of."

Mr. SHERMAN apprehended it would strongly imply, that congress meant to reduce the rate of interest, and he did not wish that question involved with the present.

Mr. LIVERMORE's motion being seconded, the question was put thereon, and it being lost;

Mr. MADISON

Moved to amend the original proposition, so as to read as follows: *Resolved*, that adequate funds ought to be provided for paying the interest and principal of the de-

public debt, as the same shall be liquidated ; and that, in such liquidation, the present holders of public securities, which have been alienated, shall be settled with according to the highest market rate of such securities ; and that the balance of the sums due from the public, be paid in such proportion to the original holder of such securities.

Mr. BOUDINOT

Said, he had long been in the habit of paying great respect to the sentiments of the gentleman from Virginia, but he feared, on this occasion, he had not viewed the subject with his usual accuracy. But he was not surprised, that the gentleman was lead away by the dictates of his heart, for he believed he really felt for the misfortunes of his fellow-citizens, who had been the prey of avaricious men. Indeed, it is matter of less surprise, on another account, said he, for heretofore I contemplated the subject in nearly the same point of view. Influenced by a desire to do justice to every person connected with the public, I wished for the means of compensating the original holders, who had sold their certificates at a great loss ; but I found the thing, upon long and careful examination, to be both unjust and impracticable.

The honorable gentleman tells us, that the debt was contracted for meritorious services, and enquires, whether the creditor received an adequate compensation in full discharge ? I say, sir, the debt is still due, and that the person to whom it is due, has received nothing but a certificate as evidence of his claim ; but then, if any of our first creditors have put another person in their shoes, the question will arise, are we to disown the act of the party himself ? Are we to say, we will not be bound by your transfer, we will not treat with your representative, but insist upon a resettlement with you alone ? But the same reasoning will oblige us to go farther, and investigate all the claims of those who received of the government continental money, which they afterwards parted with for ten, forty, or one hundred for one.

But, putting all this out of the question, and supposing the motion to be founded on principles of justice, I would ask, how it is to be carried into execution ? The nature of the public debt will demonstrate its impracticability. A great part of this was contracted by the clerks in of-

fice, who, when the continental money was stopped, were supplied with some millions of dollars in loan-office certificates; they were given out in their names, and afterwards distributed among the farmers, mechanics, and others, who had furnished supplies, or performed services. Now, how is it possible that you can ever trace a certificate, under these circumstances, up to the man who was the original *bona fide* creditor? Not from the name on the face of the paper, because it is the name of the clerk in office, the mere agent of the public. Other certificates were taken out of the loan-office, by persons who were not concerned in making the loan; many neighbors sent money by one hand, who went and took out certificates in his own name, which he afterward returned to the real lender. I have been entrusted myself with numerous commissions of this kind, when I have been going to the capital where the loan-office was kept. Now, suppose, as has been the case, that I took 10,000 dollars from ten of my neighbors, each 1000 dollars, and that I placed the whole in the continental loan-office at Philadelphia, taking out therefor ten loan-office certificates, of 1000 dollars each, which, on my return, I gave to those who had sent their money by me; all these certificates had my name in them, and here I should appear to be the original holder of 10,000 dollars without any right whatever, and the men, who deserve much of their country, for the aid they furnished her in the hour of distress, are stripped, in a moment, of the greatest part of their property. I believe, if we adopt this motion, we shall give room for such scenes of enormity as humanity will be shocked at the bare prospect of. I am, therefore, clearly of opinion, that, if the principles be ever so just, we ought to reject it on account of its impracticability.

On motion, the committee rose, and reported progress, after which the house adjourned.

F E B R U A R Y 12.

The following memorial was presented and read.

To the SENATE and HOUSE of REPRESENTATIVES of the UNITED STATES.

The memorial of the Pennsylvania society for promoting the abolition of slavery, the relief of free negroes unlawfully held in bondage, and the improvement of the condition of the African race,

Respectfully sheweth,

THAT from a regard for the happiness of mankind, an association was formed several years since in this state, by a number of her citizens, of various religious denominations, for promoting the abolition of slavery, and for the relief of those unlawfully held in bondage. A just and acute conception of the true principles of liberty, as it spread through the land, produced accessions to their numbers, many friends to their cause, and a legislative co-operation with their views, which, by the blessing of Divine Providence, have been successfully directed to the relieving from bondage a large number of their fellow-creatures of the African race. They have also the satisfaction to observe, that, in consequence of that spirit of philanthropy and genuine liberty which is generally diffusing its beneficial influence, similar institutions are forming at home and abroad.

That mankind are all formed by the same Almighty Being, alike objects of his care, and equally designed for the enjoyment of happiness, the Christian religion teaches us to believe, and the political creed of Americans fully coincides with the position. Your memorialists particularly engaged in attending to the distresses arising from slavery, believe it their indispensable duty to present this subject to your notice. They have observed, with real satisfaction, that many important and salutary powers are vested in you, for "promoting the welfare and securing the blessings of liberty to the people of the United States;" and as they conceive, that these blessings ought rightfully to be administered, without distinction of color, to all descriptions of people, so they indulge themselves in the pleasing expectation, that nothing which can be done for the relief of the unhappy objects of their care, will be either omitted or delayed.

From a persuasion that equal liberty was originally the portion, and is still the birth-right of all men; and, influenced by the strong ties of humanity, and the principles of their institution, your memorialists conceive themselves bound to use all justifiable endeavors to loosen the bands of slavery, and promote a general enjoyment of the blessings of freedom. Under these impressions they earnestly entreat your serious attention to the subject of slavery; that you will be pleased to countenance the restoration of liberty to those unhappy men, who alone, in

this land of freedom, are degraded into perpetual bondage, and who, amidst the general joy of surrounding free-men, are groaning in servile subjection, that you will devise means for removing this inconsistency from the character of the American people; that you will promote mercy and justice towards this distressed race, and that you will step to the very verge of the power vested in you for discouraging every species of traffic in the persons of our fellow-men.

BENJAMIN FRANKLIN, President.

Philadelphia, February 3, 1790.

Mr. HARTLEY then called up the memorial presented yesterday, from the annual meeting of Friends at Philadelphia, for a second reading; whereupon, the same was read a second time, and moved to be committed.

Mr. TUCKER

Was sorry the petition had a second reading, as he conceived it contained an unconstitutional request, and from that consideration he wished it thrown aside. He feared the commitment of it would be a very alarming circumstance to the southern states; for, if the object was to engage congress in an unconstitutional measure, it would be considered as an interference with their rights, the people would become very uneasy under the government, and lament that they ever put additional powers into their hands. He was surprised to see another memorial on the same subject, and that signed by a man who ought to have known the constitution better: He thought it a mischievous attempt, as it respected the persons in whose favor it was intended: It would buoy them up with hopes, without a foundation, and as they could not reason on the subject, as more enlightened men would, they might be led to do what they would be punished for, and the owners of them, in their own defence, would be compelled to exercise over them a severity they were not accustomed to. Do these men expect a general emancipation of slaves by law? This would never be submitted to by the southern states without a civil war. Do they mean to purchase their freedom? He believed their money would fall short of the price. But how is it they are more concerned in this business than others? Are they the only persons who possess religion and morality? If the people are not so exemplary, certainly they will admit, the clergy are; why then do we not find them uniting in a body, praying us to adopt measures for the promotion of religion and piety, or any moral object? They know it would

be an improper interference; and, to say the best of this memorial, it is an act of imprudence, which he hoped would receive no countenance from the house.

Mr. SENEY

Denied that there was any thing unconstitutional in the memorial, at least, if there was, it had escaped his attention, and he should be obliged to the gentleman to point it out.— Its only object was, that congress should exercise their constitutional authority, to abate the horrors of slavery, as far as they could: Indeed, he considered that all altercation on the subject of commitment was at an end, as the house had impliedly determined yesterday, that it should be committed.

Mr. BURKE

Saw the disposition of the house, and he feared it would be referred to a committee, maugre all their opposition; but he must insist, that it prayed for an unconstitutional measure: Did it not desire congress to interfere and abolish the slave-trade, while the constitution expressly stipulated that congress should exercise no such power? He was certain the commitment would sound an alarm, and blow the trumpet of sedition in the southern states. He was sorry to see the petitioners paid more attention to, than the constitution; however, he would do his duty, and oppose the business totally; and if it was referred to a committee, as mentioned yesterday, consisting of a member from each state, and he was appointed, he would decline serving.

Mr. SCOTT.

I can't entertain a doubt but the memorial is strictly agreeable to the constitution; it respects a part of the duty particularly assigned to us by that instrument, and I hope we may be inclined to take it into consideration. We can, at present, lay our hands upon a small duty of ten dollars; I would take this, and if it is all we can do, we must be content: But I am sorry that the framers of the constitution did not go farther, and enable us to interdict it for good and all; for I look upon the slave-trade to be one of the most abominable things on earth; and if there was neither God nor devil, I should oppose it upon the principles of humanity, and the law of nature. I cannot, for my part, conceive how any person can be said to acquire a property in another; is it by virtue of conquest? What are the rights of conquest? Some have dared to advance this monstrous principle, that the conqueror is absolute master of his conquest; that he may dispose of it as his property, and treat it as he pleases; but, enough of those who reduce men t

the state of transferable goods, or use them like beasts of burden, who deliver them up as the property or patrimony of another man. Let us argue on principles countenanced by reason and becoming humanity ; the petitioners view the subject in a religious light, but I do not stand in need of religious motives to induce me to reprobate the traffic in human flesh, other considerations weigh with me to support the commitment of the memorial, and to support every constitutional measure likely to bring about its total abolition. Perhaps, in our legislative capacity, we can go no further than to impose a duty of ten dollars, but I do not know how far I might go, if I was one of the judges of the United States, and those people were to come before me and claim their emancipation, but I am sure I would go as far as I could.

Mr. JACKSON

Differed with the gentleman last up, and supposed the master had a qualified property in his slave; he said the contrary doctrine would go to the destruction of every species of personal service. The gentleman said he did not stand in need of religion to induce him to reprobate slavery, but if he is guided by that evidence, which the christian system is founded upon, he will find that religion is not against it; he will see, from Genesis to Revelations, the current setting strong that way. There never was a government on the face of the earth, but what permitted slavery: The purest sons of freedom in the Grecian republics, the citizens of Athens and Lacedæmon all held slaves. On this principle the nations of Europe are associated; it is the basis of the feudal system. But suppose all this to have been wrong, let me ask the gentleman, if it is policy to bring forward a business at this moment, likely to light up the flame of civil discord, for the people of the southern states will resist one tyranny as soon as another; the other parts of the continent may bear them down by force of arms, but they will never suffer themselves to be divested of their property without a struggle. The gentleman says, if he was a federal judge, he does not know to what length he would go in emancipating these people; but, I believe his judgment would be of short duration in Georgia, perhaps even the existence of such a judge might be in danger.

Mr. SHERMAN could see no difficulty in committing the memorial; because it was probable the committee would understand their business, and, perhaps, they might

bring in such a report as would be satisfactory to gentlemen on both sides of the house.

Mr. BALDWIN

Was sorry the subject had ever been brought before congress, because it was of a delicate nature, as it respected some of the states. Gentlemen who had been present at the formation of this constitution, could not avoid the recollection of the pain and difficulty which the subject caused in that body; the members from the southern states were so tender upon this point, that they had well nigh broken up without coming to any determination; however, from the extreme desire of preserving the union, and obtaining an efficient government, they were induced, mutually, to concede, and the constitution jealously guarded what they agreed to. If gentlemen look over the footsteps of that body, they will find the greatest degree of caution used to imprint them, so as not to be easily eradicated; but the moment we go to jostle on that ground, said he, I fear we shall feel it tremble under our feet. Congress have no power to interfere with the importation of slaves, beyond what is given in the 9th section of the 1st article of the constitution; every thing else is interdicted to them in the strongest terms. If we examine the constitution, we shall find the expressions, relative to this subject, cautiously expressed, and more punctiliously guarded than any other part, "The migration or importation of such persons, shall not be prohibited by congress." But lest this should not have secured the object sufficiently, it is declared, in the same section, "That no capitation or direct tax shall be laid, unless in proportion to the census;" this was intended to prevent congress from laying any special tax upon negro slaves, as they might, in this way, so burthen the possessors of them, as to induce a general emancipation. If we go on to the 5th article, we shall find the 1st and 5th clauses of the 9th section of the 1st article restrained from being altered before the year 1808.

Gentlemen have said, that this petition does not pray for an abolition of the slave-trade; I think, sir, it prays for nothing else, and therefore we have no more to do with it, than if it prayed us to establish an order of nobility, or a national religion.

Mr. SYLVESTER

Said, that he had always been in the habit of respecting the society called Quakers; he respected them for their exertions in the cause of humanity, but he thought the present

was not a time to enter into a consideration of the subject, especially as he conceived it to be a business in the province of the state legislatures.

Mr. LAWRENCE

Observed that the subject would undoubtedly come under the consideration of the house ; and he thought, that as it was now before them, that the present time was as proper as any ; he was therefore for committing the memorial ; and when the prayer of it had been properly examined, they could see how far congress may constitutionally interfere ; as they knew the limits of their power on this, as well as on every other occasion, there was no just apprehension to be entertained that they would go beyond them.

Mr. SMITH, (S. C.)

Insisted that it was not in the power of the house to grant the prayer of the petition, which went to the total abolishment of the slave-trade, and it was therefore unnecessary to commit it. He observed, that in the southern states, difficulties had arisen on adopting the constitution, inasmuch as it was apprehended, that congress might take measures under it for abolishing the slave-trade.

Perhaps the petitioners, when they applied to this house, did not think their object unconstitutional, but now they are told that it is, they will be satisfied with the answer, and press it no further. If their object had been for congress to lay a duty of ten dollars per head on the importation of slaves, they would have said so, but that does not appear to have been the case ; the commitment of the petition, on that ground, cannot be contended ; if they will not be content with that, shall it be committed to investigate facts ? The petition speaks of none ; for what purpose, then, shall it be committed ? If gentlemen can assign no good reason for the measure, they will not support it, when they are told that it will create great jealousies and alarm in the southern states ; for I can assure them, that there is no point on which they are more jealous and suspicious, than on a business with which they think the government has nothing to do.

When we entered into this confederacy, we did it from political, not from moral motives, and I do not think my constituents want to learn morals from the petitioners ; I do not believe they want improvement in their moral system, if they do, they can get it at home.

The gentleman from Georgia, has justly stated the jealousy of the southern states. On entering into this government, they apprehended that the other states, not knowing

the necessity the citizens of the southern states were under to hold this species of property, would, from motives of humanity and benevolence, be led to vote for a general emancipation ; and had they not seen, that the constitution provided against the effect of such a disposition, I may be bold to say, they never would have adopted it : And, notwithstanding all the calmness with which some gentlemen have viewed the subject, they will find that the discussion alone will create great alarm. We have been told, that if the discussion will create alarm, we ought to have avoided it, by saying nothing ; but it was not for that purpose that we were sent here ; we look upon this measure as an attack upon the palladium of the property of our country ; it is therefore our duty to oppose it by every means in our power. Gentlemen should consider, that when we entered into a political connection with the other states, that this property was there ; it was acquired under a former government, conformably to the laws and constitution ; therefore, any thing that will tend to deprive them of that property, must be an *ex post facto* law, and as such, is forbid by our political compact.

I said the states would never have entered into the confederation, unless their property had been guaranteed to them, for such is the state of agriculture in that country, that without slaves it must be depopulated : Why will these people, then, make use of arguments to induce the slave to turn his hand against his master ? We labor under difficulties enough from the ravages of the late war. A gentleman can hardly come from that country, with a servant or two, either to this place or Philadelphia, but what there are persons trying to seduce his servants to leave him ; and, when they have done this, the poor wretches are obliged to rob their master, in order to obtain a subsistence ; all those, therefore, who are concerned in this seduction, are accessaries to the robbery.

The reproaches which they cast upon the owners of negro property, is charging them with the want of humanity ; I believe the proprietors are persons of as much humanity as any part of the continent, and are as conspicuous for their good morals as their neighbors. It was said yesterday, that the Quakers were a society known to the laws, and the constitution, but they are no more so than other religious societies ; they stand exactly in the same situation ; their memorial, therefore, relates to a matter in which they are no more interested than any other sect, and can only be

considered as a piece of advice ; it is customary to refer a piece of advice to a committee, but if it is supposed to pray for what they think a moral purpose, is that sufficient to induce us to commit it ? What may appear a moral virtue in their eyes, may not be so in reality. I have heard of a sect of Shaking Quakers, who, I presume, suppose their tenets of a moral tendency ; I am informed, one of them forbids to intermarry, yet, in consequence of their shakings and concussions, you may see them with a numerous offspring about them : Now, if these people were to petition congress to pass a law prohibiting matrimony, I ask, would gentlemen agree to refer such a petition ? I think if they would reject one of that nature, as improper, they ought also to reject this.

MR. PAGE

Was in favor of the commitment ; he hoped that the designs of the respectable memorialists would not be stopped at the threshold, in order to preclude a fair discussion of the prayer of the memorial. He observed, that gentlemen had founded their arguments upon a misrepresentation ; for the object of the memorial was not declared to be the total abolition of the slave-trade ; but that congress would consider, whether it be not in reality within their power to exercise justice and mercy, which, if adhered to, they cannot doubt must produce the abolition of the slave-trade : If, then, the prayer contained nothing unconstitutional, he trusted the meritorious effort would not be frustrated.

With respect to the alarm that was apprehended, he conjectured there was none ; but there might be just cause, if the memorial was not taken into consideration. He placed himself in the case of a slave, and said, that, on hearing that congress had refused to listen to the decent suggestions of a respectable part of the community, he should infer, that the general government (from which was expected great good would result to every class of citizens) had shut their ears against the voice of humanity, and he should despair of any alleviation of the misery he and his posterity had in prospect ; if any thing could induce him to rebel, it must be a stroke like this, impressing on his mind all the horrors of despair. But if he was told, that application was made in his behalf, and that congress were willing to hear what could be urged in favor of discouraging the practice of importing

his fellow-wretches, he would trust in their justice and humanity, and wait the decision patiently. He presumed, that these unfortunate people would reason in the same way ; and he, therefore, conceived the most likely way to prevent danger, was to commit the petition. He lived in a state which had the misfortune of having in her bosom a great number of slaves, he held many of them himself, and was as much interested in the business, he believed, as any gentleman in South-Carolina or Georgia, yet, if he was determined to hold them in eternal bondage, he should feel no uneasiness or alarm on account of the present measure ; because he should rely upon the virtue of congress, that they would not exercise any unconstitutional authority.

Mr. MADISON.

The debate has taken a serious turn, and it will be owing to this alone if an alarm is created ; for had the memorial been treated in the usual way, it would have been considered as a matter of course, and a report might have been made, so as to have given general satisfaction.

If there was the slightest tendency by the commitment to break in upon the constitution, he would object to it ; but he did not see upon what ground such an event was to be apprehended. The petition prayed, in general terms, for the interference of congress, so far as they were constitutionally authorised ; but even if its prayer was, in some degree, unconstitutional, it might be committed, as was the case on mr. Churchman's petition, one part of which was supposed to apply for an unconstitutional interference by the general government.

He admitted, that congress were restricted by the constitution from taking measures to abolish the slave-trade ; yet there were a variety of ways by which they could countenance the abolition, and they might make some regulations, respecting the introduction of them into the new states, to be formed out of the Western Territory, different from what they could in the old settled states. He thought the object well worthy of consideration.

Mr. GERRY

Thought the interference of congress fully compatible with the constitution, and could not help lamenting the miseries to which the natives of Africa were exposed by this inhuman commerce ; and said, that he never contemplated the subject, without reflecting what his own

feelings would be in case himself, his children, or friends were placed in the same deplorable circumstances. He then adverted to the flagrant acts of cruelty which are committed in carrying on that traffic ; and asked, whether it can be supposed, that congress has no power to prevent such transactions ? He then referred to the constitution, and pointed out the restrictions laid on the general government respecting the importation of slaves. It was not, he presumed, in the contemplation of any gentleman in this house to violate that part of the constitution, but that we have a right to regulate this business, is as clear as that we have any rights whatever ; nor has the contrary been shewn by any person who has spoken on the occasion. Congress can, agreeable to the constitution, lay a duty of ten dollars on imported slaves, they may do this immediately. He made a calculation of the value of the slaves in the Southern states, and supposed they might be worth ten millions of dollars ; congress have a right, if they see proper, to make a proposal to the Southern states to purchase the whole of them, and their resources, in the Western Territory, may furnish them with the means. He did not intend to suggest a measure of this kind, he only instanced these particulars, to shew that congress certainly have a right to intermeddle in the business. He thought that no objection had been offered, of any force, to prevent the commitment of the memorial.

Mr. BOUDINOT

Had carefully examined the petition, and found nothing like what was complained of by gentlemen, contained in it ; he, therefore, hoped they would withdraw their opposition, and suffer it to be committed.

Mr. SMITH, (S. C.)

Said, that, as the petitioners had particularly prayed congress to take measures for the annihilation of the slave trade, and as that was admitted, on all hands, to be beyond their power ; and as the petitioners would not be gratified by a tax of ten dollars per head, which was all that was within their power, there was, of consequence, no occasion for committing it.

Mr. STONE

Thought this memorial a thing of course ; for there never was a society, of any considerable extent, which did not interfere with the concerns of other people, and

this kind of interference, whenever it has happened, has never failed to deluge the country in blood : On this principle he was opposed to the commitment.

The question on the commitment being about to be put, the yeas and nays were called for, and are as follows :

YEAS—Messrs. Ames, Benson, Boudinot, Brown, Cadwallader, Clymer, Fitzsimons, Floyd, Foster, Gale, Gerry, Gilman, Goodhue, Griffin, Grout, Hartley, Hathorne, Heister, Huntington, Lawrance, Lee, Leonard, Livermore, Madison, Moore, Muhlenberg, Page, Parker, Partridge, Rensselaer, Schureman, Scott, Sedgwick, Seney, Sherman, Sinnickson, Simth, of Maryland, Sturges, Thatcher, Trumbull, Wadsworth, White, and Wynkoop—43.

NOES—Messrs. Baldwin, Bland, Bourke, Coles, Hunger, Jackson, Mathews, Sylvester, Smith, of S. C. Stone, and Tucker—11.

Whereupon it was determined in the affirmative ; and on motion, the petition of the society of Friends, at New-York, and the memorial from the Pennsylvania society, for the abolition of slavery, were also referred to a committee.

Mr. BLAND

Observed, that he should concur in the commitment of the last memorials, because they had special objects in view ; whereas, the first contained nothing more than a general recommendation to adhere to the principles of justice and mercy, which, he presumed, were the general principles of the house. Adjourned.

FEBRUARY 15.

Mr. GOODHUE presented the petition of Hannah Treat, which was read and laid on the table.

Mr. THATCHER presented the petition of John Stone, stating that he had invented an improved method of driving piles, by which the erection of bridges over rivers may be greatly facilitated—laid on the table.

On motion of mr. Benson, the memorial of Donald Campbell, was read a second time, and referred to a committee, consisting of mr. Bland, mr. Cadwallader and mr. Benson.

On motion of mr. Wadsworth, the petition of Isaac Trowbridge, was read a second time, and referred to the post-master-general.

In committee of the whole, on the report of the secretary of the treasury.

Mr. MADISON's motion for a discrimination under consideration.

Mr. SEDGWICK.

The proposition mr. chairman, contains a question of the utmost importance: And the committee must be obliged to the gentleman who brought it forward, for his very ingenious discussion of the subject of the domestic debt.

With respect to the question now before the committee, so much has been said, that I think it will not be necessary to consume much of their time in the investigation.

On the subject of contracts, I have to observe; when ever a voluntary engagement is made for a valuable consideration, for property advanced, or services rendered, and the terms of the contract are understood, if no fraud or imposition is practised, the party engaging is bound to the performance, according to the literal meaning of the words in which it is expressed.

Such contract, whether of a government or an individual, may be either transferable, or not transferable.

The latter species of contract receives an additional value from its capacity of being transferred, if the circumstances of the possessor should render a sale of it necessary or convenient to him.

To render the transferable quality of such evidences of contract, in any degree advantageous to the possessor, it is necessary to consider, in case of sale, the alienee possessed of all the property of the original holder; and indeed it is highly absurd, and even contradictory to say, that such evidences of debt are transferable, at the same time to say, that there is in them a kind of property that the holder could not convey by *bona fide* contract.

This is the construction which has invariably been given to these contracts, whether formed by government or by individuals.

To deprive the citizen of the power of binding himself by his own voluntary contract, or to prevent a disposition of property in its nature alienable, will be a violent and unjustifiable invasion of one of those rights of which man, as a citizen, is the most tenacious, and will indeed break one of the strongest bonds by which society is holden together.

In the transfers which have been made, the contracts were fairly made; the whole rights have been transferred; it is not pretended any fraud or imposition had been practised:

The risk was calculated by the parties, and it was observed, that the risk contemplated a revolution in the government.

From the foregoing deduction of particulars, it is presumed to be proved that a property is vested in the transferees. That if this property is divested by the government, the law for that purpose would have a retrospective operation, and that no *ex post facto* law could be more alarming, than that by which the right of private property was violently invaded.

Having considered the nature of the contract, and of the obligations which result from it, I beg leave to call the attention of the committee to those circumstances by which that obligation may be destroyed, impaired or suspended. They are stated to be; 1. Performance. 2. Voluntary discharge. 3. Composition. 4. Inability.

And gentlemen are called upon to give information of any other causes which can produce either of those effects.

With regard, more particularly, to the proposition before the committee, I have to observe, that with regard to these contracts, there has existed a depreciation in consequence of the failure of government, regularly to pay the interest: That in this depreciated state, the securities had been alienated; that of course the original holders have sustained a loss; that if the loss resulted from the fault, and not the misfortune of the government, the creditor has, undeniably, a demand against the government for compensation; that this demand, however well founded, can never authorise the government to invade the honestly acquired property of the present possessors, a property warranted by the terms of the contract itself, and sanctioned by the act of congress, of April 1783. And the validity of it recognized by the constitution we had sworn to support.

With regard to the claims of the original holders, it is, however, observable, that the domestic creditor, at the time the contract was formed, well knew the nature of the constitution of the government administered by the other contracting party, congress; that its power of performance depended on the ability and good-will of the states; that congress had always performed its duty, had made the necessary requisitions; that this was its utmost power; and that the failure has arisen wholly from the neglect of the states. I therefore submit it to the committee, whether, if the ori-

ginal holder has a just or equitable demand, he should not resort to the state of which he is a member?

I admit that the case of an original holder is indeed a hard one; that I have a respect for his misfortunes and for his pretensions; that if satisfaction is discovered to be just and practicable, I would not hesitate to go to the utmost ability of the government for that purpose. But let me ask, what merit will the government possess, if it stripped one class of citizens, who have acquired, by the known and established rules of law, property, of that property, under the specious pretence of doing justice to another class of citizens?

It was implicitly agreed, that 80 per cent. depreciation, would not authorise the interference proposed by the motion. I ask then, that some point of depreciation should be pointed out, which will authorise such interference.

The question for which I contended, has received the universal approbation of mankind; there is no instances of the interference contended for, and this general sense of mankind affords some evidence of truth.

This contract was founded on a valuable consideration. It was the price of our liberty and independence. The possessor claimed, according to the very terms of the contract, though, it is not pretended that the engagements of government has been performed. No composition with the creditors is proposed; nor is the proposition founded on any pretended inability of the government; for to comply with the intention of it, 1,600,000 dollars, annually, more is necessary, than is proposed by the report of the secretary.

By reason of the circumstances which have taken place, the honorable gentleman (mr. Madison) supposes, that, if the whole amount of a security shall be paid to the present possessor, he will have a sum of money to which the original holder is equitably entitled. If this is true, then, no interposition is necessary, it being a well known rule of law, that an action will always lie to recover money out of the hands of another, to which the plaintiff, from the principles of equity and good conscience is entitled.

With regard to the effects, which will probably result from this measure, I have to observe, that it will be destructive to our national character: That the world is

now willing, charitably, to impute our former miscarriages, to events we could not controul; but should our first measures, in regard to public faith, be a violent infraction of our contracts, it will sanction all our bitterest enemies have said to our disadvantage.

With regard to its effects on credit, little dependence will be placed on the plighted faith of a government, which, under the pretence of doing equity, had exercised a power of dispensing with its contracts, and has thereby formed for itself a precedent of like future violations, both with respect to its funds and contracts.

With regard to discovering who was the original holder, except so far as respects the army debt, I am certain there are no documents by which the necessary facts can be discovered.

I presume it is a fact, with regard to much the greater part of the debt, any fictitious name was inserted. And with regard to the army debt, the soldiers, generally, who were in service at the conclusion of the war, have received ample satisfaction for their services, at the time of their enlistment, having been paid more, on an average, than 250 dollars per man.

I have only to add, that the proposed system will lay a foundation for infinite frauds and perjuries, and that it will, beyond all powers of calculation, multiply the evils of speculation.

Mr. LAWRENCE

Observed, that the proposition of the gentleman from Virginia (mr. Madison) derived force from the talents and knowledge of that gentleman in public transactions; but that, on examination, it would be found to contain doctrines very repugnant to the interest and prosperity of the union.

He then stated, that the debts contracted by the United States, were for loans of money, supplies of articles necessary for the public wants, and for actual service rendered in different employments. That these debts were ultimately adjusted and reduced to their present transferable form. That every part of the contract was essential to it: The negociability was a material part. That the nature of the contract was frequently recognized by the late government. That, in 1783, congress recommended certain funds to be established to pay the interest, and put the principal in a course of discharge. That this recommendation was unequivocal, as to the nature of it, and made no discrimination be-

tween the possessor and original holder. That the subsequent conduct of that body, was conformable to this recommendation. That they had annually called on the states to furnish money, to pay the interest, without discriminating between the original holder and present possessor. That they had paid interest on the securities, without making any discrimination. That provision had been made for holders of loan-office certificates, that were subject to liquidation, to have them cancelled, and others issued for the specie value. That the holders of certificates were enabled to have them registered, to guard against accidents; and that no distinction was made between the original holder and the alienee. That the transferable nature of the claim, was for the benefit of the creditor, because it gave it an active value. That he consented to take it, and consulted his own advantage. That the conduct of the late congress, since the war, had been uniform in the support of this contract, and they had done no act to impair its obligation, according to the terms of it. That this contract was valid against the government; for, notwithstanding the truth of the gentleman's observation—that the nation was the same, though the bodies that administered the government were different—there was yet far greater security; and to remove all doubt, a clause that made all debts and engagements valid against the United States, under the late general government, valid against the present, was inserted in the constitution.

He further observed, that this contract, having descended upon the government, there was no right in the legislature to impair the force of it. That the particular governments were restrained from passing laws, impairing the obligations of contracts. That this interference would be a violation of the contract, between the individuals, when the certificate was transferred; and it would not be presumed, that the states were prohibited, and the general government had power to do it.

He then adverted to the principles of the gentleman, to wrest the obligation of the public, to the original holder; and observed, that the same principles were in favor of the present possessor. That public justice required a performance of contracts, when there was no fraud on the part of the holder. That the possessor had been guilty of no fraud, no deception. That the contract between him and the original holder was fair, and that a hazard and risk attended the purchase adequate to the advantage. That nothing short of a revolution in government could have produced payment.

That if there was an imposition, the public occasioned it ; and between the original holder and public, there might be a claim for retribution. That public faith was as sacredly pledged to the bearer, or present possessor, as to the original creditor. That public credit results from fair and upright conduct ; that the government, to support it, must perform its contract. That this was a contract recognised by them, and as such should be discharged. That the condition we have been in, made it proper for us to be cautious on this subject ; and even at present, people doubted our disposition to establish our credit. That this would give a fatal blow to it, and when we should recover, if ever, was doubtful. That public opinion was difficult to be ascertained ; gentlemen had different modes to determine it. He supposed it was better ascertained by the acts of public bodies, than by squibs in the newspapers, or by a pamphlet written by any individual. That the uniform conduct of men, deputed by the particular states to represent them, in the late general government, was the standard ; and their opinion, from the year 1783, was in favor of the present possessor. That the conduct of the particular states was another circumstance ; that he did not know of any discrimination made by them, though it had been attempted. That the general opinion of men of property was in favor of it ; and that these sources of public opinion were more certain than those he had before mentioned.

He further observed, that although he believed the gentleman supposed no advantage would be derived to the United States from this discrimination, yet much would arise. That part of the army was composed of foreigners ; many had left the country, others dead, and their relatives ; all their part would be unclaimed. That certificates were issued to public officers to a great amount, and were paid by them to persons from whom they purchased. The difficulty of making proof of the original creditor would be great ; and, from this circumstance, great sums would be gained to the public. That there were persons enough who would have sagacity to discern this ; and they would doubt the purity of the public motive, should the gentleman's plan be adopted.

He then adverted to the circumstance of the new creditor receiving paper : That this paper might be subject to another liquidation on the same principle as the present : That it would introduce doubt and distrust of public en-

gagements; and there would be no greater security, although a fund was pledged, than there is at present, for whenever the public pleased, they might destroy the obligation. Arguments were improperly addressed to their feelings; but that, however hard it may be for the original creditor, who had parted with his certificates, to contribute to pay the debt; yet it would be equally hard on him who had been injured by continental money, who had been plundered by the enemy, who had his property burned by them in the course of the war; and that instances of these kinds were numerous.

He then adverted to the doctrine of the high court of equity; and urged that this court must be governed by principle. That was the committee this high court, and the United States, the original creditor, and the present possessor before them; and if there appeared no fraud on the part of the possessor, the original creditor would have no just claim on him. That between the United States and original creditors, the United States were in fault; and the claim, if good, would be against them.

He also noticed the resolution of congress of 10th April, 1780, relative to the depreciation of pay to the army; and declared, that this was limited to persons then in service: Those who had left it, even the day before, had not this justice done them: But that this case was between the United States, and the persons rendering them service. The act did not affect third persons; it did not take from one and give to another, as the present measure proposed, and was therefore dissimilar.

He further observed, that his objection to the amendment was on the ground of the contract; yet he would mention some instances to shew the impracticability of the scheme. In many cases a state had sold lands, for low value, in these certificates. That, by the law of this state, creditors residing within the British lines during the war, had received, by law, these certificates, at their nominal value, from their debtors. That British and domestic creditors had received from their debtors large sums at their nominal value. That foreigners were possessed of large sums of the registered debts, in their names, for alienated certificates. That these, and many other instances which might be mentioned, would shew the difficulty of devising a scheme, with the checks and exceptions that would be proper, to render it in any manner feasible. That it had been objected to the secretary's report, that it proposed a reduction of interest. He observed,

that there was a material difference in a plan that made the consent of the creditor necessary, and one that reduced his capital without his consent. That this part was not now under consideration; but that the scheme of the gentleman from Virginia, would add a considerable sum to the provision proposed by the secretary, from the increased interest to be provided for, and the additional number of officers to be appointed to carry his plan into execution. He concluded with saying, that he was still open to conviction; but that he was, at the time of speaking, against the gentleman's propositions.

Mr. SMITH, (S. C.)

Remarked, that it was necessary and proper the house should give the subject the most ample discussion. The question had long agitated the public mind, and the people should know that it had occupied the serious attention of their representatives, and be made acquainted with the principles of their decision. For his part, having bestowed on it, the most attentive consideration, he could assert, that the more he contemplated it, the more he was impressed with a conviction, that the proposition was unjust, impolitic, and impracticable. It consisted of two parts: The one was to take away the property of one person; the other was to give that property to another; and this by a voluntary interposition of the house, by a mere act of power, without the assent of the former, or without even the application of the latter. For it was remarkable, that the original holders, who had alienated their certificates, had not come forward with this demand; and it is presumable, that, had they applied for redress, they would reject any indemnification which was the result of such manifest injustice. To prove that this was taking away the property of a citizen by force, he observed, that the purchaser had, by a fair purchase, acquired a right to the full amount of the sum expressed in the certificate, which it was not within the power of the house to divest him of. No tribunal on earth could lawfully deprive a man of his property, fairly obtained. The purchaser bought under the act of congress, making the securities transferable; and having given the market price, without fraud or imposition, he was, by virtue of such purchase, vested with the complete and absolute ownership of the certificate, as fully as the original holder; and had as much right to demand full payment, as the original holder would have had, had the security been still in his hands. Even should the house refuse, by an act of power, to pay

him more than half, his demand for the other half would still remain against the public; it could not be extinguished; the debt would continue to haunt them; the creditors would loudly clamor for justice, and sooner or later the balance would be paid. Then would they incur all the odium of a violation of private rights, without deriving to the public any advantage whatever. He considered the measure as doing a certain evil, that a possible good might result from it: This was not, in his opinion, the proper mode of doing good. Justice cannot be founded on injustice; and to take money out of the pocket of one man, to put it into that of another, is a precedent which may justify future interferences. This step would lead the house to others: For, if the principle be a just one, then the government should look into all the transactions and speculations of individuals, in order to correct them, and make retribution to every individual according to his losses. He was persuaded, that the true policy of a legislative body, was to pursue the broad road of justice, clearly marked out before them; for it was an undeniable truth, that whenever they deviated into these bye-roads and trackless paths, without any other guide than their own imaginations, they would get bewildered in a labyrinth of difficulties, and rejoice to trace back their steps, and regain the plain road. Now, the plain line of conduct was, to do strict justice, such as is enforced in judicial tribunals, between man and man, in a similar case. The debtor is bound to pay the debt to the holder of the security; the contract, between the giver of the bond and the person to whom it was given, is done away the moment the latter assigns it to another person. If A. gives a bond to B. who parts with it to C. there is no longer any obligation on the part of A. to pay to B. but he must pay it to C. A. has nothing to do with the private negotiations between B. and C. nor to enquire what consideration was given for the security. All that he has to enquire, is, whether he really signed it and had value received for it, and the amount of it: He cannot say to the holder, you gave but 50 dollars for this security of 100, and I will pay you only 50; for the law will compel him to pay the 100. This is a point of justice between man and man: Is there another point of law and justice for the government? By what rule is the government to square its conduct, if not by those sacred rules which form the basis of civil society, and are the safeguard of private property?

These observations fully refute the remarks of the gentleman of Virginia, that the original holders still have a claim on the government, notwithstanding they have transferred their securities, and that in cases of individuals bearing an analogy to the present, a court of equity would interpose and give redress. The direct contrary was the fact; there never was an instance of a court of equity assuming such power. In cases of bankruptcy, which are under the superintendence of courts of chancery, the debts of the bankrupt are paid in equal proportions to all the creditors, whether original holders or assignees, and the court never enquires into the terms of the alienation. It cannot be said, that the original holder had any claim of justice on the government; his claim must be addressed to our humanity; but the house have no authority to gratify their humane inclinations at the expence of justice, and by a sacrifice of private rights. If the project was unjust in itself, the application of the property to relieve the distressed of the original holder cannot change its nature—it must still be unjust—the mode of appropriation cannot alter the rectitude or turpitude of the measure. If therefore congress have the right to take away the property of the present holders, they may apply the savings to public purposes; and what appearance would such a scheme have to the world? Would it not ruin for ever our national character?

The gentleman from Virginia, had said, that justice and good faith, were the substratum of public credit; but he was persuaded, that the justice and good faith held out by this plan, would be a substratum of sand, a foundation too weak to support our public credit, which would soon crumble to pieces. If the object of the gentlemen be to afford relief to the distressed, without impairing legal rights, let enquiry be made into the cases of those original holders, who sold from absolute distress; let those cases be selected and brought forward, and he would yield to no member in his alacrity to give them every adequate compensation, and to indemnify them for their sufferings; but he could not assent to a proposition which blended together the cases of all the original holders, and gave them the property of others. That there were various classes of original holder; some had sold for purposes of speculation or trade, and had proba-

bly made good bargains, and were now in a better plight, than if they had still retained their securities. Others got rid of their securities, because they had no confidence in the government; these the public were not bound to indemnify; the plan would place them on a better footing, than those who, having confidence in the general government, had, notwithstanding their distresses, kept their securities; for, supposing the former sold eight years ago, for four shillings in the pound, it was not improbable that they had by this time doubled their money, and in addition to that they were to get ten shillings, which would give them eighteen shillings; whereas, the latter would only be able to sell their securities at the market, for fifteen or sixteen shillings, after they were funded. Some present holders have received their securities by way of legacy---are these to have one half taken off? Is their patrimonial estate to be torn from them? Had their parents been still living, they would receive twenty shillings in the pound, but the circumstance of death, is to strip the children of one half.

The gentleman from Virginia had said, that giving the present holders, by alienation, the highest market price, would be doing them ample justice; but did the public mean to refund them the money they had actually advanced? No; they were to receive this ample justice by a bit of paper, nominally for ten shillings; but which this very measure would instantly depreciate, to eight, or six shillings. They would have this consolation, that, according to the gentleman's reasoning, they would still have a claim against the government for the balance. For if the original holder, by selling his certificate for four shillings, has now a just claim against the government for the balance of sixteen shillings, which it is asserted he has, of course, the alienee, to whom the public should now acknowledge a debt of ten shillings, which he would sell for only six, would hereafter have a just demand against the public for four shillings. The reasoning might be carried further, for it would follow, that whenever the public shall pay in paper, which shall depreciate, the seller will have a demand against the government for the difference.

From the distance of time, at which these securities were issued, it may be reasonably supposed, that many of the original holders are now dead: The average life of

man, is estimated at seven years, according to the most accurate calculation on insurance of lives. Some of them are dispersed in foreign countries, or settled in the Western Territory; and it would be right, before the house took such a step as this, to understand, clearly, to what amount these alienations had been made; at present, they were uninformed on the subject, and had no documents before them. If these alienations were inconsiderable, this project would be dangerous, even admitting its justice. History affords no precedent for the measure.—The gentleman from Virginia, whose industry was equal to his ability, would have produced some familiar case, had any existed. The South-Sea was totally inapplicable: There the directors of the company, having been guilty of the most enormous frauds, and villainous practices, the government confiscated their estates, and bestowed them on the company, which they had been the means of ruining, instead of promoting their interests, of which they had been appointed the guardians. Were the purchasers of securities chargeable with any crimes for which they merited confiscation? Were they appointed by law, the guardians of the property of the original holders.

Nor was the other instance, respecting the depreciation of pay, made good to the officers during the war, more in point; for there the public paid them with the public money, and not with that of individuals.

The constitution itself, he said, was opposed to the measure, for it was an *ex post facto* law, which was prohibited in express terms. The transference of public securities, was lawful at the time these alienations were made; an attempt, therefore, to punish the transferees, is an attempt to make an *ex post facto* law, by making that now unlawful, which was lawful at the time it was done; it alters the nature of the transaction, and annexes the idea of guilt to that, which, at the moment of commission, was not only perfectly innocent, but was explicitly authorised, and encouraged by a public act of congress. By that act, those who had money, were invited to purchase of those who held securities, and now they were called upon to punish the purchasers who bought under that invitation. The constitution restrains the states from passing any laws impairing the force of contracts, *a fortiori*, is the legislature of the union restrain-

ed? What an example to hold up to the judiciary of the United States! How could they annul a state law, when the state would be able to plead a precedent on the part of congress? The right of property was a sacred right; no tribunal on earth, nor even legislative body, could deprive a citizen of his property, unless for a fair equivalent, for the public welfare. The purchaser was vested, by the sale, with an absolute right, to the full amount of the security, and it was beyond their authority to divest him of it. They might, indeed, by an act of power, declare that he should be paid only half; but his right to the other moiety would not be extinguished. It had been said, that the original holder still had a claim against the public, because he had received only two shillings and sixpence, for services worth twenty-shillings. On the same principle, and with more justice, the present holder would still have a claim for ten shillings; because he has the public bond for twenty shillings. No ingenuity can overcome these stubborn principles of law and justice; they are immutable, and must ultimately prevail. The house had been told, that if the government had defrauded the original holders out of their dues, it was fit the public should rectify the fraud. The former government was not deficient in inclination to do them ample justice, but from the imbecility of the confederation, had not the means. In those days of democratic enthusiasm, the people were afraid of an energetic government: Having so recently experienced the severity of their former one, the citizens of these states were cautious in trusting any government with power; and it is not improbable, that some of the original holders, who suffered their embarrassments, from the want of a government competent to the payment of its debts, would themselves have opposed the vesting congress with powers adequate to this object. Even the present constitution, which is a mild one, met with considerable opposition: Had it been rejected, the public securities would have never been paid.

Public opinion had been mentioned, as favoring the plan. Nothing was so difficult to attain, as a knowledge of public opinion; but, as far as he had been able to collect the public opinion, it was against the measure.

Publications in newspapers appeared, indeed, on both sides, but a greater number against it. The legislature of

this state had strongly expressed their sentiments, by rejecting, almost unanimously, a similar project; and in society he had met with but few advocates for it. "

Though it had been admitted, that no instance of a similar nature had ever existed in other countries; yet it was asserted, that this was because the depreciations of public securities, in Europe, bore no comparison with those in the United States. The securities in England had fallen to seventy per cent. without occasioning an interposition of the government; and there was no occasion to assert, that a greater depreciation would have induced an interference: If the measure was unjust in the one case, it was equally so in the other; the increased rate of depreciation could not justify it; for, where would it cease to be unjust, and begin to be just? What is the precise point of depreciation at which the government could be warranted in stepping in, and depriving the holders of their rights? Right and wrong cannot depend on the argument of depreciation; they are fixed principles which cannot fluctuate.

The hardship of requiring those who have lost four-fifths of their due, to contribute to the payment of taxes, has been noticed. When they sold their certificates, they thought that the person to whom they sold them, would one day or other receive something for them; and they knew that he could receive nothing, unless the debts were funded, and that in such case, they would be compelled to contribute their proportion of taxes. If they, on the other hand, were impressed with the idea that the purchaser would never be paid, then the bargain was not a fair one on their part, for they took the purchaser's money, and gave him what, in their belief, was not equivalent.

The impolicy of the measure is evident, because it will check the negociability of public securities; will enhance the terms of future loans, and injure the public credit. Public debts were said, by some, to be public benefits; doubtful as this doctrine may be, it is acknowledged, universally, that without a negociable quality, instead of being of any utility, they would be a most grievous burden to the community. Who would purchase, when he had before his eyes the terror of a discrimination? A future occasion may arise, when, from the experiences of war or other emergency, a similar attack might well be apprehended. Purchasers, therefore, will be rare, and

the risk they will run, restrain them from giving the full value of the public securities. This will operate, then, as a considerable injury to the original holders, who never alienated their certificates, and who ought not to be involved in the pernicious consequences of this measure. With respect to impracticability, it was not the strongest objection with him ; because, if he were persuaded, that it was both just and politic, he would go every length, in endeavoring to accomplish it ; but, even on this head, difficulties innumerable appeared. Some which were unanswerable, had been mentioned, and it had been clearly shewn, that it was absolutely impossible to trace the original holders. He had chosen to combat the measure on its principle, because he thought it was not a just one, and the establishment of it might lead hereafter to future interferences, and unhappy consequences.

It was the wisest policy of government to adhere strictly to their plighted faith, when it was in their power to do so, even should such strict adherence work an injury on some part of the community. This was the practice with nations in the case of a treaty, which, when made by competent authority, they considered themselves bound to observe, although they deemed it disadvantageous to them, at least a refusal would deter other nations from treating with them in future : It is by this line of conduct, that public credit can alone be supported.--- Whatever may be the merits of the alienors, or the speculations of the alienees of public securities, it was not the business of government to interpose ; there are the contracts—they must be paid as far as the public resources will extend. The claim of those unfortunate creditors, whose distresses drove them to the necessity of sacrificing their certificates, was a claim to the humanity of congress ; and he should not be opposed to give them relief, provided the funds were taken out of the public treasury, and not in the manner proposed. In whatever light be viewed the project under consideration, he felt a strong conviction that it was such a one as ought to be rejected.

Mr. AMES

Agreed with the gentleman from Virginia (mr. Madison) in regard to the validity of the debt. There was propriety in saying, the nation is the same, though the a

government is changed. The debt is the price of our liberties, and cannot be diminished a farthing, the gentleman says; and why? Because the government, as one of the contracting parties, cannot annul, or vary the bargain, without the consent of the other. If the measure proposed by that gentleman, corresponds with that sound principle, he should have the pleasure of agreeing with him on the ultimate decision; but, if the measure should be found, on a fair discussion, to be subversive of that principle, it would not merit the countenance of the committee.

A claim upon our justice is made, on behalf of the original holders of securities, who have transferred them. Does the plighted faith of the country stand charged to pay the difference, between the price their securities sold for in the market, and the nominal sum? In order to make the affirmative appear, the worthy gentleman has said, that the paper is the only evidence of a prior contract; and while the paper was sold, the residuary right to the debt, still remained in the seller. Supposing this novel doctrine to be true, which cannot be conceded, it will not warrant any conclusion in prejudice of any purchaser of the loan-office debt; for the paper was given, when the loan was made; as no prior debt existed, the paper is the very debt. The gentleman ought, therefore, to confine his motion to the army debt, as his principle seems inapplicable to any other. And even on liquidating the army debt, the certificate extinguished the prior debt; otherwise the public would be twice charged. As, when one man owes another an account, and gives his bond for the balance, the account is no longer of force. By the terms of the certificate, the person transferring, has lost his claim against the public. He has freely transferred; for if violence or fraud were practised, the law will afford him redress. In society, as well as in a state of nature, property is changed by the consent of the last occupant. He may dispose of it by gift, or at half price, and give a complete title: Nor will the pretence that this transfer was free, only in appearance, avail; for the motives which disposed the owner to sell, cannot affect the right of the purchaser. Every such creditor risked something; either that the government would not pay him at all, or not in due season. The risk, computed in free and open market, will be near

fight. It is a kind of insurance against these risks, and the insurers and insured, will calculate the rate of insurance better than government can do it. If there is a new risk of government interposing, it seems that the purchaser, who may be called the insurer, did not rate his risk high enough. It seems pretty clear, therefore, that there is no claim on the stipulated justice of the country.

Another sort of justice is set up ; a different sort from that which we were taught in the schools and churches ; it is called abstract justice, and it is said to demand allowance for the loss sustained by the failure of public payments. No man respects, more than I do, the merit of the army ; but the soldiers, at least, had something towards justice by their bounty.

Stock has sold in England, at fifty per cent. discount, and yet no retribution has been made. Where then, does this new line of justice begin ? It can scarcely be denied, that their claim, if they have any, is not a debt. The arguments alledged by the gentleman, are addressed merely to the compassion and generosity of the government. Nor do I know that there is any ground for saying, that public opinion is in their favor : It will be allowed, that if justice is to be done, it should be impartial justice : Partiality would be more cruel than total neglect. Will you refuse to make amends for paper money ? For property taken by our army in Canada ? For losses sustained during the war ? For towns burned ? In this last case, it is to be observed, that government has promised protection ; and inability to protect it as much a debt, as the case in question. The intermediate holders, who bought at six shillings and eight-pence, and despairing of government, sold out at two shillings and six-pence, have an equal claim. Are all these to be excluded ? Let us not break contracts for half justice. The example of paper money is adduced to shew, that the public made up losses ; but this is an example of the public fulfilling its contracts, not annulling it. Paper money is a bad source to draw examples from.

But is it true, that justice requires the public to pay for all the losses sustained in times of calamity ? I think not ; for, by fraud, the government would be obliged to pay for more than was lost. The resources of the sufferers will more easily repair such losses, than the govern-

ment can make them good ; and besides, in extreme cases, it would extend and prolong the evil. If an army should invade England, and the city of London should be burned, and the country laid waste, by order of the king, all Europe could not pay for it. What is justice ? A line of public conduct, which necessarily tends to utility. No pretence of abstract justice can be valid, if it tends to evil rather than good.

But if there subsists a claim on the public justice, it cannot impair the debt, in the hands of the present holder, for which the public faith is pledged. It is alledged, that the seller, who sold for a trifle, will be taxed to pay the purchaser. He certainly ought to fare as other citizens do. But taxes are in proportion to property. If he has property, then the plea of necessity is destroyed ; if he has none, then his taxes will be a mere trifle.

The project is not justice, even to those whom it pretends to relieve. If you allow less to the purchasers than they gave, it is downright robbery ; if you allow more, it is half-way-justice to those who have sold. I would not risk every thing to do justice, as it is called, and then not do it.

But this fragment of justice cannot be given to some, without wronging others ; you impair the property in the hands of the present original holders. It is not supposed that the alienated property is near equal to that which is still in the hands of the first holders. Be that as it may, I believe, with confidence, that it would be cheaper for the present holders to pay the market price of the paper proposed to be given to the former holders, than to suffer the shock which this measure would give to the credit of their paper. I will not enter now into the merits of the secretary's plan ; but I think it not difficult to shew, that he proposes better justice to the present original holders than is contained in the motion, and that the debt, funded on his plan, would sell for more in the market. Great sums have been lent to the public by trustees, who acted for others, and only lent their names. Many original creditors were not first holders : Supplies were furnished to contractors for the army, who got credit, and afterwards paid in paper, as they received of the public. Many towns hired soldiers for a gross sum, and agreed to take the wages. Private debts have been paid at par. A man, in embarrassed cir-

cumstances, instead of compounding with his creditors for ten or a dozen of years forbearance, paid them at par, or near it, in public paper, which, in that period, was supposed to be as likely to be paid as his private note. No less a sum than 214,000 dollars were paid in this way to one mercantile house, at about 15*s* in the pound. Compare the gross injustice of these cases with the pretended justice of the motion—consider what it pretends to pay the purchaser. But loan-office certificates have sold from 15*s*. and 18*s*. in the pound to 5*s*. Foreign purchasers gave more than our market price. Before they bought, they got certificates of the nature of the debt, that it was not liable to any deduction, and that the transfer would be valid. People in the first offices in this country, and abroad, signed them. 500,000 dollars were bought for one Dutch house, and registered, and the partners in the sum have divided the certificates by giving their own bonds. What will be the effect? Justice or injustice? In these cases, the gentleman will admit, that the rights of these people are perfect: The debt, he says himself, cannot be diminished a farthing; property is sacred; the right to a single dollar cannot be violated. Let the gentleman then acknowledge that he must give up his project, or his principles.

I have endeavored to shew what sort of abstract justice this is. But if it should be allowed that there is a claim of justice, what then? Let them claim justice of those who have done them injustice, not of the fair purchaser.

Let us examine the claims of the purchasers. The gentleman's argument on this point merits attention; if it is right, for its novelty in congress; if wrong, for its tendency. Here I think it necessary to apologise, not for my sentiments, their apology must spring from their propriety, but for the manner in which I express them. My zealous conviction may seem to arraign the opinions of other gentlemen, whom I respect as I ought. I know that men of the best intentions entertain a favorable opinion of a discrimination. There is a wish to do more than justice to the one, and the heart, betrayed by its sympathy, consents to injustice to the other. But, sir, I cannot claim the merit of moderation on this point. I will not pretend that I doubted first, and then decided: The principles of my education, and the habits of my

life, predisposed me to believe, and my short experience and reading have confirmed it, that nations cannot admit cunning into their councils without its shedding a malignant influence on their affairs. Experience teaches government, as well as men, that nothing is safe that is wrong. We have endured tender laws, and the pitiful expedients of a trickish policy. Our experience has cost us dear. The old congress, however, were guided by other maxims; with little power, and scarce retaining the mock representation of it during the whole year, they prosecuted the objects of an honest policy with a zeal, which repulses and despair could not extinguish. They could say with Francis the 1st, after the battle of Pavia, "We have lost all except our honor." They resolved against discrimination, and foreigners, as well as citizens, bought securities under the public faith: But when the constitution was framed, adopting the debts as valid, restraining *ex post facto* laws, and laws impairing contracts, who entertained any suspicion? The speech of the president, and the resolutions of the house in favor of public credit banished it. Does this look as if public opinion was hostile to these purchasers? If it really is, it is more a duty on government to protect right when it may happen to be unpopular, that is what government is framed to do. If, instead of protecting, it assumes the right of controlling property, and disposing of it at its own pleasure, and against the consent of the owner, there is a cheat in the compact.

It will be admitted, that there is a right vested in the purchaser; government cannot diminish it a farthing, says the gentleman; but he says we cannot pay both: Then abide by your word of honor; prefer perfect rights, by solemn compact, to claims on your compassion. The claims of the present holders, you say, are just; are the others more than just? Treat all just claims alike, and do not rob on the high-way to exercise charity: Why make one creditor pay another? He says, government is to get nothing by this; and yet he says, we owe these people, and our creditors shall pay them. Is paying a debt in this way not getting money? He talks of rival claims; there is no rivalry; the sellers agreed that there should be none. If government is bankrupt, compound with your creditors: Will this act of violence console the sufferers? Will they enjoy, as a favor, the violation of the rights

for which they fought? The South-Sea and Mississippi schemes have been adduced as examples. In the former, government interposed to fulfil the contract: The Mississippi is not parallel: What the gentleman calls public justice, I am sure he would not practise in his own case.

I have chosen to consider the principle of the motion; but it cannot be carried into execution; we have seen that justice, in the abstract, will not be done, nor can the measure proposed be effected; we may very properly suppose that innumerable difficulties will arise in practice which cannot be foreseen, but so many appear as ought to deter us. The detail will be endless; an account must be opened for each claimant, public offices must be opened, officers multiplied, and great expence incurred; there is no clue, by the records, to the cases of money deposited by agents for other people; I have enquired, and am told that it is not possible. Will you admit oral evidence, and of persons interested? Will you fill the land with discontent, corruption, suits, and perjury. The new paper, if not transferable, will be no great relief; if transferable, there will be a new harvest of speculation; the after crop will be more abundant than the first cutting. A purchaser keeps his note for 20*s*. by law, you make it a note for 10*s*. How many frauds will be practised on the unwary? If the mind balances on these points, let policy turn the scale.

Will not this measure shake government? Instead of doing as it has promised, government is to do as it pleases. Right is to depend, not on compact, and sacred faith, and the constitution; but on opinion, on a major vote, where nothing, not even right, is fixed, will not the government be liable to perpetual commotion?

How will it effect our national character? How will it effect public credit? We shall have to pay for meddling, if we in future should have any credit. The famous colonel Chartres said, he would give one hundred thousand pounds for a character—not for its own sake, but because he could get two hundred thousand by it—Henry VIII. borrowed money on his personal security; and his base parliament voted, that as he had done great things for the realm and church, he should be discharged from those obligations. Charles the second shut up the exchequer—What was the consequence? King William paid 14 per cent. on annuities, and at the rate of 10 and 12 per cent. interest—but by good faith, in

five or six years, money fell to five per cent. interest.—By breach of faith, we vote the government into a state of pillage, and deprive it of its powers.

I have thus endeavored to shew, that there is not a debt subsisting against the public, in favor of the original holders, who have sold out; that the motion is chargeable with partiality, and is inadequate to its pretended object; that it will do injustice to many, and violate the sacred rights of property; that the purchasers are secured by the contract, by the faith of government, and by the constitution; that the measure is not practicable, and will produce confusion, corruption and expence; and that it will weaken, disturb, and disgrace the government, and impair its credit.

I have made this recapitulation of my argument, in order to bring it into one view—if it is just, or only plausible, let us ask, what will be the effect? Is this what was expected under the new constitution? Did we expect it? Is there one here who has not told the people, that an end would be put to tender acts and paper money, and the ruinous effects of government's interposing in contracts? Who, in or out of congress, did not suppose that the letter and spirit of the constitution said as much? The spirit of the times said more. Will not the people charge us with violating the constitution and the rights of property? If we plead necessity, they will demand, how came it that we were ignorant of it? And, if it exists, what is there that breach of faith can save, that good faith would lose? Or, what will that be worth, which may be secured by a measure that will tarnish our national honor, and transmit to our children an inheritance of reproach? Is there no refuge but in dishonor? We have borne adversity before, and we had rather submit to the worst events of an honest policy—and this project is not to relieve any burdens; for government is to rob, not for plunder, but to get the reputation of justice.

If our own citizens say thus, what will foreigners say? They will not be restrained, either by the opinion of their fellow countrymen, or by attachment to our prosperity. They will detail their losses, and the arts by which their confidence was gained—they will think that we have been taught a species of immoral philosophy—that we administer government by a kind of cunning logic, which confounds right and wrong—they will rejoice that the Mahrattas and Americans are at a distance; the ocean has not hitherto proved a barrier against our depredations.—An American abroad will be obliged to deny his country.

However, I still believe that justice is a law to congress; but if justice, and public faith, and honor, have ceased to be things, let them cease to be names—let them be blotted from the vocabulary of our nation. If they have no being, why should they be made use of to conjure up church-yard terrors, to haunt the hypochondriac imagination?

I will not be so uncandid as to charge the worthy gentleman with such intentions. I think so highly of his probity and patriotism, that if he can be made to see that these consequences will follow, or only apprehended, he will give up his scheme. But if government has this right, what right of private property is safe? In the East, government is said to be the sole owner of property, and may resume it at pleasure. This absurd doctrine will not find advocates, for it would not do for practice, even where it may not be denied to be true; human nature revolts against it, it would shock the morality of Botany Bay, it would exasperate, beyond sufferance, the patient slavery of Indostan—and who can give a good reason why one sort of property should be more sacred than another?

If we pursue another kind of policy, such as the preamble to the constitution declares to be the objects of the government, this government, and this country, may expect a more than Roman fortune. The government may have more credit, the people more knowledge, and the blessings of peace a longer duration than the world has ever experienced. That gentleman helped to frame the constitution, I have no doubt it is the better for his eminent abilities; I hope that his love of his own work, and his zeal for the cause which he has so ably supported, will induce him to abandon a measure, which tends so fatally to disappoint the first wishes of his own heart, and the hopes of his country.

F E B R U A R Y 12.

Mr. LIVERMORE reported the naturalization bill.

Mr. BURKE reported a bill for promoting the progress of the useful arts; and then the house went into a committee on the secretary's report;

Mr. MADISON's proposition still under consideration.

Mr. JACKSON

Observed, that although as young a politician as any on the floor, and that he was convinced the weight of experience was against him, on so important a national subject he could not be silent; particularly as he had the honor of seconding the gentleman's motion (Mr. Madison) now before the house, that it would be therefore expected that he

should bring forward his reasons, and the principle which actuated him to it. He confessed, that had he not before leaned to the side of a discrimination, the arguments of that able gentleman would have induced him to support the plan he had brought forward. He was induced on another motive to rise, to shew that the numerous arguments of the gentlemen in opposition, yesterday, had not convinced him of the impracticability, or injustice of the composition.

The house were told much, yesterday, of the moral obligations we were under of paying our debts, and the impolicy and injustice of interfering with private contracts.—The obligation, he believed, was no where denied; the debt was of the highest nature; it was the price of our independence: The only difficulty is, how that debt shall be discharged. He would here observe, that the justice of the plan before the house, had not been so fully objected to, as the impracticability, although it had been asserted unjust, by some of the gentlemen who had spoken.

He would consider the justice of the proposition. The house had been told the nature of those contracts, and the valuable considerations of them. The contract, as it struck him, fell under the legal terms of *do, ut des*; I give that thou mayest give—or, I give that I may receive. In all contracts there are three requisites: 1st. The agreement. 2d. The consideration. 3d. The thing to be done or omitted. This consideration is to be an equivalent, or full recompence for the thing to be performed. Let us examine what this thing to be done, and what this consideration were. The creditor, who was to perform the third article of the contract, held 20*l.* which was to be given for a valuable consideration: What was this consideration? 2*l.* 6*s.* He argued, that if this 20*l.* was worth no more than 2*l.* 6*s.* the contract was fair and substantial; but, if gentlemen carried the idea farther, and declared this 20*l.* was money of equal value with the 2*l.* 6*s.* given, he contended that the contract was destroyed: Equity would relieve, would declare it an unrighteous bargain, that there was not an adequate compensation, and would set aside the contract.

But a gentleman (mr. Lawrance) had told us, that equity has fixed rules, and that none of those rules would apply. He agreed with them, that it was as necessary for a court of equity to be confined by rules, as a court of law; but exclusive of the former case he had mentioned, there were two

others, under which the present case came—misfortune and oversight. He would quote the authority of Blackstone, did he not expect he should, as in former instances, he complained of by that gentleman for it. Here, he said, had been one of the greatest misfortunes; a calamity attending a whole community, a government unable to pay its debts. Here was likewise an oversight equal to it. Was it possible for the poor soldier, uninformed, to foresee, when he sold his certificates, that they would rise to the present value? Or that he could anticipate the present day, and a second revolution? Equity, then, requires some mode of justice, and the tribunal exists some where. I believe, with my friend from Pennsylvania, (mr. Scott) that we are the tribunal; for equity must exist somewhere, or the government is at an end. The courts of law, and common courts of equity, have no power to interfere; they cannot compel us to their mode of funding our debts. The injury cries aloud for redress; iniquity is in the land, and we are bound, by every principle of justice, to step forward, and to do what justice we can.

But perfect justice cannot be done, say gentlemen, and therefore we should not attempt the business at all. The consequences of this doctrine are fatal; they tend to a deprivation of all courts of justice: For there is no instance which can be adduced, where, what is termed justice, is reconciled to the opinions of all, and where some objection cannot be raised.

But there is no government on earth, say gentlemen, which ever interfered with assignable contracts. This doctrine has been both countenanced and denied by the gentlemen in the opposition, in their relation of the South-Sea scheme. One gentleman told us, that it did not apply, because the government was not concerned, and that it was in consequence of their agents villainous practices only; another acknowledged the government was concerned, and bid us take warning from it. He contended, that the case was in point; but if there was any difference, it was in its exceeding the bounds of the present. The government of England were accessary; the parliament of England received 7,000,000*l.* for the privilege of permitting the company to take in the public debts, and allowed them to fund many millions on a footing not subject to their private debts: Yet, after all this countenance, the omnipotence of parliament assumed the supreme powers of equity, compelled compensations, discharged debtors, and punished those

who had done no more than comply with the letter of the law.

This doctrine was not then novel : In 1712 parliament interfered between the Royal African Company, and its creditors ; not when the company was in a state of bankruptcy, but for years before. The different nations of the world, besides—notwithstanding what gentleman had advanced with respect to the constitution, and the impairing contracts—and the states here had followed it, had passed statutes of limitation to actions, although it was not implied in contracts. The house had a right likewise to guard against frauds.

Public justice, he observed, had not been done ; the soldiers, the original creditors, had not been paid ; they had not received the equivalent ; they had received but 2/6. and there was 20/ due them. That many of those creditors, and the war-worn soldier, were pining in retirement, in the most cruel situations, and condemning the injustice of that country, which, in consequence of their exertions, were legislating here this day.

If, then, public justice (which he contended the plan promoted) should be done, public credit would follow ; for justice is reason, and credit was a natural consequence of reason ; and if the interest, as gentlemen had told the house, was paid in paper or not, he did not conceive that the plan would in the least affect it. It had not injured Britain in the example before the house.

Public faith, the house was informed, made no distinction ; the public faith, he observed, was pledged to the soldiery, and citizens, who furnished supplies. It never had been fulfilled, 2/6. was not the 20/ they were entitled to. This principle was even settled at home, by that very congress some gentlemen pay so much honor to. The soldiers were paid with depreciated money during the war ; that congress liquidated their accounts.

A gentleman (mr. Smith) had observed, that this plan places those who have alienated in a better situation than the present original holder, by adding the 10/ to what he formerly received. He contended, that the present original creditor would not be injured, nor would they grumble at seeing justice done their more distressed brethren ; those who had parted with them, had done it, in most instances, from necessity, those who hold at present, are the more wealthy.

The same gentleman had observed, that had the market price risen to 20/ that this plan could not have been adopt-

ed. He allowed the difficulty which would arise, but contended, that, in that case the public faith would not have been discharged ; but the case is the reverse, the house knew the market price, and had it within their compass to do justice. But, said the gentleman, the soldier might have kept it to the present moment, and then it would have been worth the 20*s*. Unfortunate, foolish soldier indeed ! he observed, why didst thou not steel thy feelings against the wife of thy bosom, and behold thy beloved children, without a murmur or an exertion, starving on a dunghill ? Then thou mightest have kept thy nominal 20*s*. until it became a real one. But, added he, is this the language of mercy, or of justice ? What will a man not give in exchange for his life ? And, if he has feelings, for that of his wife and children ?

But public opinion is vague, say gentleman ; and the house has been cautioned against pamphlets and newspapers, as if the plan had been composed from thence. The abilities of the honorable gentleman will give a serious refutation to this charge. As for his own part, he had the candor to assure the gentleman, that he had taken hints, and that he always would take hints, whilst in public life, from any valuable information given in either : Like the berry on the brier, if he could pluck it with safety, he would ; and, if a valuable hint was encircled with a torrent of abuse, he would accept the hint, whilst he would despise the remainder.

Sir, said he, public opinion divided us from Britain ; public opinion induced us to change the former for the present constitution ; public opinion brought us here to legislate ; and public opinion can replace us in our former situations ; and however public opinion might be censured by some gentlemen, he trusted she never would need an advocate on that floor.

This public opinion is in favor of the original creditor ; it is impossible to be otherwise. The people of America are a grateful people, and they cannot, with indifference, view the earnings of those who established their independence, converted to the coffers of the wealthy and ambitious. The speculator, he contended, was already more than satisfied, if it was only on the principle of interest which had accrued for 6, 7 and 8 years past, and which they had speculated on since.

He then observed, that, conceiving those objections raised by the opposition refuted, the next consideration was the impracticability.

The gentleman, who had brought the plan forward, was more capable of answering the numerous obstacles thrown in by the phalanx of orators yesterday ; but he would undertake to answer a few of them which he had noted.

A gentleman (mr. Boudinot) had declared it impracticable ; because the quarter-masters of the late army, and the clerks of office, received the certificates in their own names ; and, as an instance, quotes himself as having received large sums in that manner. But, said he, are not the books, and documents, remaining ? Is there not evidence still existing of the original creditor ? That gentleman's own objection proves it. We will call him as an evidence ; and there is no doubt but mankind were not so debased, but that many other similar confessions would come forward. Besides, there could be a touchstone applied equal to what the highest court of equity used, and there was little fear but the truth would be found out, and a detection of the fraudulent claim. The impracticability, he observed, was out of the question, with respect to the speculator, who would receive the highest market price.

But the public accounts were many of them lost. Make it worth the time of the original creditor, and this would be in a great measure obviated.

Again, says a gentleman, (mr. Sedgwick) the certificates are in fictitious names, and he knows an instance in Boston : Then that gentleman is likewise good evidence ; and the claim, from his testimony, would be invalidated ; but if not, the same equitable proof would be required.

He went on to observe, that here, Proteus like, the gentlemen changed their reasoning, and declared the public would be gainers by the mode. He asserted, that it would not be the case by their own account. If, however, the claimant did not come forward, he would contend that the public, not the speculator, ought to be the gainer ; that the public here, would possess the same right as an estate left without an heir.

But it had been advanced, that the money would be again generally distributed among the poorer class of people, and that speculators would be flying to every part of the union to reap second crops. He advanced that such distribution would be a public blessing, and that, by the measure, the tears of the afflicted would be

dried up, and widowed hearts be made to sing for joy. The lesson, he believed, had been now taught, and would prevent the extremes of speculation in future. He seemed confident, that the second crop would not be so injurious to the community, or prove so plentiful an harvest to the speculator, as the first.

It was necessary, it was said, and we should consequently have an host of officers. Now, he denied that necessity: There were numbers of officers in the treasury department who might attend to the business; and *a small fee, which would be cheerfully paid, would find officers, if necessary, of responsibility and character in the different states.*

But it is an *ex post facto* law. This he denied to be the case: No law had yet passed for funding the debt; we have a right to fund the debt as we please. Some gentlemen, opposed to the present principle, join the secretary in opinion for lowering the interest. We have seen threats, under that idea, not to fund at all; and we cannot compel subscription without the holders consent.

It is again said, that, if government do this now, they may take the same step hereafter; this, he would observe, was reasoning on surmise. It was not probable, if within the sphere of possibility, that America would ever have a debt in the same situation. Loans, if exigencies should arise, will be procured on adequate provisions; and foreigners, from viewing our justice, and the unanimous resolve respecting them, will place a value and dependence on us. If America is wise, said he, few wars will arise; situate as we are, in a remote country from the warlike nations of Europe, the wars we may expect will be with a few tribes of Indians; great loans will, therefore, not be required. But, supposing all the possible exigencies, the soldier is as necessary a requisite as the supply: Will he trust again your broken faith?

The gentleman from Massachusetts, (Mr. Ames) he observed, had charged the favorers of the motion with raising church-yard terrors; with what propriety he could not judge, unless that gentleman, like a man who passing through a church-yard saw an apparition, and had the impression so strongly on his mind, that he insisted on it that all his neighbors saw it also. The dangers that had been magnified were on the other side. We have been told of the 15*s*. in the pound, paid by foreigners in Hol-

land ; and one gentleman (Mr. Gerry) had denounced against us the terrors of the *ultima ratio regum*. Are, we said he, independent or not ? If we are, we have a right to modify our own debt. What would Britain or Holland say, should we interfere with their funds ? Would they not suppose us deprived of reason, or laugh at our imbecility in attempting it ? Those who have purchased in our domestic funds are on the same footing with our own citizens. If we are not independent, it is high time to make ourselves so, whatever power might oppose us. The gentleman who brought forward the motion, had been charged with addressing the passions : This might be retaliated ; for declamation had been used for argument on the other side.

Equity, said he, if the cause be equal, will suffer, in many instances, the heart to decide. The gentleman from S. C. (Mr. Smith) has declared, that what he has seen written on the subject, has been much on the one side as on the other ; if so, the heart, in this instance, ought to govern ; and gratitude and humanity, its noblest principles, are in favor of the original creditor.

He had been, he said, against the funding principle at this present moment ; but, as the house had determined on it, it became his duty to acquiesce, but on principles of honor and justice. And it was to be remembered, that the landholder of America was the person ultimately to pay this debt, and his property would be mortgaged for it ; for although commerce might immediately supply the revenue, the landholder was the consumer ; he, therefore, hoped the debt would be funded on principles congenial with their wishes. That class of people, when they contemplated their independent situation, and their domestic happiness, although they would revolt at the idea of filling the pockets of the speculator, would cheerfully advance their proportion for the payment of the soldier and the citizen, whose exertions had procured them the blessings they enjoyed.

Mr. BENSON.

The gentlemen in favor of this motion come forward as the advocates of the late army ; I wish, therefore, to be ascertained of one fact : Do the army wish a measure of this kind to take place ? I apprehend they do not ; and I am led to this opinion from a knowledge of the habits of military men ; they prefer their honor to every

pecuniary consideration, and they generally are actuated by that principle alone. I will state a case. Suppose I purchased an officer's certificate for 100 dollars, and I was to fund it; the treasurer would say, you are to receive but 50 dollars, the other 50 is reserved for the original holder. Now, if I was to go and tell the officer, that, notwithstanding my purchase of all his right, title, and claim to the 100 dollars, the government would give me but 50, retaining the other 50 for him; he would answer, I will never receive a farthing of it, because it is your money, fairly and honorably purchased of me. Now, in this case, what would you do? Should this 50 dollars fall to the government, or to me? I reason in this manner, because I suppose this would be a general case. The society of Cincinnati, of the state of New-York, have, by a resolution, which they have published in the papers, disavowed the principle; and, in Rhode-Island, a member of the society was expelled for taking advantage of the tender-law of that state, and paying off a *bona fide* debt with depreciated paper: I apprehend the principle of action still remains the same throughout the whole of the army. When the soldier conveyed his certificate, there was a contract between the parties, that whatever sum the government could pay, the whole of it should go to the assignee. Now, by an act of violence, you take the half of it away, and enable the assigner to discharge the contract by paying 50 dollars, when he had engaged that the purchaser should receive 100. This is, in effect, the same as the payment of depreciated paper under a tender-law; and would be equally rejected by those whom it is intended to favor.

I would state the case, as to have happened between the gentleman and myself, could he hesitate to say the whole sum was fairly mine, and surrender it up, notwithstanding the legal interference of the government? This is a question I would not suffer myself to reason upon; I would not trust my mind with it, lest it should preponderate in favor of self-interest, though against the common principles of truth and justice. I cannot think the army would accept the interposition; we ought, therefore, to be cautious how we trifle with the honor of other people.

I do not pretend to say, that the persons intended to be relieved by the proposed scheme, have not a claim a-

gainst the United States ; but I deny that it is a claim upon our equity or justice ; it may be a claim upon our humanity ; and, whether we will satisfy this claim, depends upon circumstances which have no communication with the present question.

Mr. JACKSON.

God forbid, mr. chairman, that I should trifle with the honor of men I value and esteem so highly, it would be the last thing I could think of : But, sir, as a legislator, I cannot consent that the pittance, which was the reward of distinguished services, should be torn from them by the arts of insidious speculators ; but there are others, who have a claim in equity upon our justice, who ought not to be sacrificed to the soldiers honor.

Mr. WHITE

Said he agreed with the gentleman from Massachusetts (mr. Sedgwick) in the principle, that if a contract is made for a valuable consideration, and with the understanding of both parties, the legislature ought not to interfere in it ; and should it appear that the transaction, between the original holders of certificates and the purchasers, was a fair one, the dispute, in his mind, was at an end. But no gentleman had attempted to shew that this was the case, though all the arguments against a discrimination were founded on that supposition. Perhaps it might be said, that every argument ought to be considered as fair, unless the contrary be proved : But where one man has obtained the property of another, to the amount of 100l. for 10l. or 12l. 10s. the transaction, he said, must be explained to him, before he would believe it to be honest. What was the present case ? The original holders, who have parted with the evidences of their debts, were principally common soldiers, militia men, and farmers, in indigent circumstances. Who were the purchasers ? The secretary of the treasury tells us, that the most enlightened among our citizens are the creditors of the United States ; common soldiers cannot be comprehended in this description. What must have passed, he asked, between the soldier, the militia-man, or farmer, and the purchaser ? What reason could the purchaser assign for offering 10l. for a paper which specified an obligation to pay 100l. ? It must be something like this—The states will never pay you ; if they do, it will be at a very remote period, so long as to be useless to you ; but

to relieve your present necessities, I will take the risk on myself and give you 10*l*. Now, could any enlightened man, he asked, in 1783, or at any subsequent period, in which time the transfers took place, believe that the independence of America was in danger? or that the debts would not be provided for?

He said he knew so many instances of transactions like that which he had stated, that he doubted not the greater part of the certificates had been obtained by similar means. Indeed he could not conceive any other by which they could be obtained.

He said we were, perhaps, without a precedent in any other nation which would be strictly applicable; but he desired gentlemen to determine for themselves, whether, under such circumstances, the man who had rendered services to his country should be deprived of his reward, or whether the purchaser ought to receive it. He said it was very different in the common transactions of life. If a man purchased a tract of land for 1000*l*. paid the money, and took a bond for the conveyance, a third person, by informing the purchaser that the seller could not make a title, or by other false suggestions, should obtain a transfer of the bond in consideration of 100*l*. and get a conveyance and possession of the land; yet, on re-paying the 100*l*. the conveyance would be set aside, and he would be restored to his land.

He gave some other instances of a similar nature, and said, he believed, if a bond, whether due or to become due, was assigned under such circumstances, that the obligee would be justifiable in contesting it in a court of law, and that the injured person would, on application, obtain redress. He said, that in cases of extreme hardship, courts of equity would give relief without express proof of fraud: That this was the law of both the kingdom of Great-Britain, and was agreeable to the principles of the civil law: That the Roman jurists, he believed, had fixed the point of extreme hardship to one half of the value of the property transferred; in England the court was to judge.

He said he did not think the present holders were strictly entitled to any thing more than the original purchasers: That here the maxim, quoted on the other side of the question, that the assignee stands in the shoes of the assigner, properly applied: You cannot place another

on more advantageous ground than that on which you stand yourself: That the plea of an innocent purchaser could not take place; the nature of the transaction must appear evident to every man concerned in a transfer.

He said the reverse of this did not hold; that an assignee was not always in as advantageous a situation as the assigner; and instanced the case of an executor who should obtain the assignment of his testator's bond at an under-value; and who, he said, could not retain in his hands the amount of the sum specified in the bond, which the creditor might have recovered, but only the sum which he actually paid for the bond.

He said, that though, in his opinion, the present holders of certificates were strictly entitled to no more than what had been paid to the original holders, yet, as an investigation of that circumstance would be involved in inextricable difficulties, and since we were (as had been very properly observed and well expressed by a gentleman from South Carolina), settling the business of a family, he was willing to acquiesce in the motion of his colleague. He said, that arbitrators often gave the injured party less than his due, for peace sake; and he was willing to act on the same principle. He doubted not but courts of justice would give relief in particular cases; but, in a matter of that magnitude, he thought the interference of the legislature very proper. The South-Sea business he thought, in that respect, a good precedent. Two gentlemen had mentioned the business; he would not say they had mistated the transaction, but he thought their accounts imperfect. They said they had the documents under their hands; he wished they had been read; he had them not, but would state, from memory, what he thought applicable to the case in question. The directors of the South-Sea company, by various arts, induced the people to give as high as 100*l.* for 100*l.* stock; in many instances the money was paid, in others it was contracted to be paid. A gentleman has said, that parliament interfered, not to violate, but to perfect the contract: But what did parliament do? They confiscated the estates of the directors, and applied the amount to the relief of those who had actually paid their money, and suspended suits against those who had not paid; and authorised the debtors to discharge their debts by the payment of 10 per cent. or the real value of the stock sub-

scribed for. But if he was wrong in supposing the present holders ought to stand in the place of the first purchasers, they could be considered only as having purchased, in market, a paper of indefinite value; if, then, they get the highest market price, they are not injured.

He would now endeavor to obviate some of the objections to the measure, on account of its impracticability; and, in general terms, observed, that much greater pains had been taken to shew the impracticability than the injustice of it. He said, if it was just, we ought to adopt it; and he did not doubt but the wisdom of the legislature would be able to carry it into effect. Purchasers, he said, had been represented as the supporters of public credit; but he could not consider them in that light. The offering a tenth or an eighth-part of the value of the bond of an individual, would tend rather to blast his credit, than to support it; and it would have the same effect with respect to the public.

He said he had lived long enough to be convinced, that wise and great men, having the same object in view, often differed in opinion with respect to the means of accomplishing it; therefore, every proposition ought to be treated with candor and respect. He made that observation in consequence of what passed yesterday: A gentleman from Massachusetts had introduced his speech in a manner somewhat new—with an apology for an impropriety which he *intended to commit*: He pursued the arguments of those who went before him, in opposition to the amendment; but his speech consisted principally in an effusion of opprobrious epithets, some of which he repeated, and said, to detail the whole, would perhaps fill half a column of a newspaper. He said he felt, on the occasion, not for himself, for he had not expressed his sentiments on the subject under debate, but for the honor of the house, in which, he thought, no such language ought to be used.

It had been said, we came forward as volunteers; that the original holders did not put in their claim. This might be easily accounted for; they were generally obscure and indigent; had too much modesty, or perhaps not the capacity to come forward. That he believed the crowd in the gallery did not consist of original holders.

A gentleman from New-York, (mr. Benson) had objected to multifarious propositions. He was not certain that he understood the word; but had never considered it as applicable to two. That the proposed amendment had brought the business to such a state, that we had the choice

of two systems. In order to determine which to adopt, it is necessary to examine the merits of both ; That proposed by the secretary of the treasury, he considered as exceptionable ; that the proposed reduction of interest was a breach of public faith ; for although it was to be effected by the consent of the creditors, it would operate as coercion with respect to the original holders. He doubted not but the purchasers would eagerly embrace the proposal of four per cent. on the nominal sum : The original holders would not—they would wait for a more favorable determination ; if they ever should consent, it would be with reluctance, and because they find they shall get nothing in any other way. The proposed disposition of the surplus revenue, among the non-subscribers, can have no effect ; if government do not chuse to pay more than four per cent. interest, they will levy taxes only to that amount. The inducements to the acceptance of his several propositions, in consideration of the reduction of interest, are all futile. Western lands to the amount of one-third ! It is well-known western lands are not a property in much estimation among the holders of certificates.

With regard to his other proposition of annuities and remote payments, it may be observed, that the proposed reduction is not founded on the inability of the states to pay, but on the principle of expediency only, lest taxation should be extended to a degree, and to objects which it might not, at this time, be proper to attempt. Now, what security have we that the same principles of expediency will not operate ten years hence ?

He observed, that the purchase of annuities had not been practised in America, and did not think it would become an object as it was in Europe. That in Europe there were many single men, who carried their views no farther than their own lives, and who, as they advanced in years, became fearful of difficulty and distress in old age : But this seldom happened in America ; there were few without families, and the ease of procuring subsistence removed all apprehensions of suffering in old age. Besides, a man, in most parts of the country, could realize his money in such a manner as to double in value in fifteen years.

With regard to public opinion, he would say nothing, as he had no documents to prove what he might advance.—He might, however, conjecture, from the operation of the several systems.

If the amendment should be adopted, the taxes would be

encreased, but, at the same time, rendered more easy, as the means of payment would be in so many more hands.— The people would see their indigent neighbors relieved, and those who had rendered services to their country in some degree rewarded.

But if the plan proposed by the secretary should be adopted, the present holders of certificates, men without public merit, however respectable they may be in their private characters, will be raised to an enviable state of wealth; the people, he presumed, will very ill brook the payment of taxes, when they see them applied to such purposes: Besides, we are told, that 5,000,000 dollars have been purchased in Holland; the interest of which will, perhaps, equal the whole expences of our civil government. Will the people approve of such a tribute, unless we can convince them of the justice of it? If it is just, if we have received value for it, no doubt but we must submit to the burden, however great it may be.

Mr. HARTLEY.

I do not wish to trespass upon the time of the committee, but I cant consent to give a silent vote on this occasion. I mean, however, to confine myself to a few observations, as many of my ideas have been communicated by other gentlemen. The honorable gentleman from South-Carolina (mr. Smith) has anticipated much of what I had to urge; I shall, therefore, reduce my view of the subject to two points:—First, as to the justice or legality of the measure, in obliging a creditor, or assignee, to take less than a certificate expresses, and pay the difference to another: Second, as to the practicability or policy of the motion, and its consequences.

As to making further satisfaction to the officers and soldiers of the late army, who have sold their certificates for an inconsiderable sum, and who have, in consequence, reaped a less reward than the government contracted for, and intended them, I conceive it has nothing to do with the present question: However, if there is a disposition in congress to make a further compensation to those brave and meritorious men, I would be among the first to support the measure; but I think this a subject too momentous to be involved, collaterally, in the question now under consideration.

With respect to the first point which offers itself, I have to remark, that a man, who enters into a contract, should know the consideration, and understand the principles upon which it is made, and these should be expressed on the face

of the evidence of the contract. Now, if this contract be of a negotiable nature, the person to whom the same is offered, looks on its face, from which he discovers the *agreementum*, and is naturally led to consider the circumstances of the debtor, his ability and integrity. Suppose even the evidence of the contract to be obtained by fraud, unless it be against the express provision of a statute, and is transferred to a third person for a valuable consideration, without notice of fraud, it must be paid : A fraud in any link of the chain, is corrected by a *bona fide* transference for a valuable consideration, without a knowledge of that circumstance by the purchaser.

Now, let us apply these principles to the present case :— Here is an instrument of writing, specifying a debt to be due from the United States to the original holder, or bearer ; this being brought into market, is offered to a third person, he, before his purchase, sees that the contract was executed in consequence of a consideration, and not against any positive statute ; he then enquires the ability of the union, and its disposition to comply with the contract ; and, from a consideration of these circumstances, he concludes, with respect to his own interest and safety in the purchase, and pays what is conceived to be the value : What is there to discharge the government from the payment ? Is it pretended that the services and supplies were an inadequate compensation ? If it even was so supposed, it would not authorise us to refuse a compliance with our engagements ; any interference would set afloat the great principle upon which the public tranquillity and happiness depend. This leads me to consider the subject in my second point of view, with respect to its policy and practicability, and the consequences which would result from the attempt.

There are but few original holders that have transferred, that can now be found, of consequence, you would throw the major part of the debt into an intricate labyrinth ; the present possessor would be shifting back the certificate to the original holder, as far as a latitude is given ; many persons, who were bare trustees, would be reaping advantages, and drawing money from the public treasury, to which they are not entitled ; oaths would be multiplied on oaths ; perjuries on perjuries ; fraud upon fraud ; and every species of speculation would ensue ; deception would be a strong trait in the character of the times, and the whole of the United States would be in motion, each endeavoring to prey

upon the other. The consequences of a second inundation of this nature are much to be dreaded, and ought to be carefully avoided.

The quantity of one kind of certificates, or the other, will not be known; hence no special appropriation can be made. The most enlightened mind will not be able to penetrate through the difficulties, confusion, and uncertainty which will inevitably result; of consequence, the event will be a dangerous speculation: Whereas, on the other hand, if your debt is ascertained and fixed, you can make regular and specific appropriations; even men of moderate capacity, may know the value of your securities. Stamping them with this precision, they will acquire a steadiness in value; they will no longer fluctuate or dissolve in the hands of their holders, like snow before the rays of the sun. This stable value, thus given to your debt, will convert a public evil into a partial good; it will partake, in some degree, of the nature of specie, and circulate in aid of that medium of commerce and exchange, bringing with it many of the good effects of an increased stock, wherewith to trade, which is so much wanting at this time throughout America. How preferable, how desirable is this, rather than to continue the debt, as an object of the worst kind of speculation, which diverts the capital of productive labor from the useful branches of manufactures, commerce, and agriculture?

In short, the business of funding would be thrown into such uncertainty and confusion, as must fatally stab our public credit in its most vital part, tumbling to the dust the amiable form we are endeavoring to cherish and support.—Public confidence would be withdrawn, and the plighted faith of America would be destroyed in the chaos that would inevitably ensue. Thus the motion, if it prevails, will injure the very men it is intended to serve.

Many of the original holders are my friends, I should wish them every compensation which they deserve. If it is thought proper to settle with the officers and soldiers over again, you may do it; but you cannot give them part of the advantage they have conferred on another. I am no holder of certificates, directly or indirectly, and am, therefore, as much disinterested as any man ought to be, who has to decide upon so great a national question. The funding system of Pennsylvania was intended merely to serve the citizens of that state; but I believe, that one-fourth of the interest paid on the debt

she assumed, went to pay the citizens of other states; so that the scheme there could not be confined to the accomplishment of its avowed object, but was diverted to advantage foreigners, at the expence of her own citizens; operating, as I fear the proposed measure would, to the injury of those it is intended to benefit. I fear the danger of an improper decision, as it regards precedent, which, in all determinations, has considerable weight. An honorable gentleman from Georgia (mr. Jackson) has brought them forward on this occasion: He tells us, that government may interfere in contracts, because governments have heretofore interfered, and adduces the statutes of limitations as a proof. These statutes never have a retrospect to set aside former contracts, unless the contractors neglect to perform a reasonable action within a reasonable time; if the contract is touched, it is by the tacit consent of the parties; and this is essential for the well-being of the community, to prevent fraud and perjury. But where is a government that has violently interfered to destroy the contract with its citizens, and preserved its credit? The interest payable on the British funds, has been reduced several times, but it has always been done on the offer of an alternative to discharge the principal; but an attempt was made by the present minister, to reduce the navy and ordinance debt, in 1784, but he was forced to relinquish his project, when its effects on public credit were exposed. Thus many things are wished for by those who have the administration, but which we are obliged to forego, as they are not within the human span.

Mr. MOORE.

With respect to the justice and legality of the motion, he observed, that it was agreed, on all hands, and proposed in the report of the secretary, that some discrimination ought to take place. It was, therefore, incumbent on the house to enquire, how this might be effected with the greatest degree of equity? He supposed the result would be, that they were at liberty to pay the most meritorious first: Who constituted this class of citizens? He trusted the late army had an incontrovertible title to it. He could never believe, that the men, who stripped the soldiers of their hard earnings, by allowing them a tenth of their claim, would have the temerity to pretend, that they had acquired the title of merit with their money,

and that the soldier relinquished, with his certificate, the honor of his corps.

Had the present question been agitated in the hour of distress, when an army was essential to our defence, the arguments of justice and equity would have their weight. Perhaps it is the soldier's misfortune, that the question arises at a time when the object, for which he was employed, is secured. But, notwithstanding all that has been said, I am fully convinced that his claim is insuperable in equity. The soldier did not engage to fight your battles, to be compensated with a certificate, acknowledging you were indebted to him; it was specie you promised, and specie he had a right to expect, or something equal to it in reality. The public faith was actually pledged to him for a compensation for his services: But will any one say the public faith was inviolably kept with him, when a certificate, worth but 2*s* in the pound, was forced upon him as specie? The poor soldier, thus situated, was followed by gangs of speculators, who endeavored to impose on his judgment, by the relation of artful and insidious opinions of the public capacity and integrity in the discharge of these acknowledgments. The soldier, incapable of detecting the specious falshood, swallows the bait, and becomes the easy prey of designing men. The people felt and resented the injuries thus perpetrated on those they esteemed; and I am much mistaken if the citizens of America do not still retain favorable impressions of the soldiers services.

A great deal has been said, with respect to public opinion, on this question. It is impossible, perhaps, to ascertain the public mind with precision; but there is but one way in our power, that is, to suffer the subject to be suspended for the present session, and, on our return, or the election of our successors, the public sentiment, in this respect, will be evinced; but, if we are to determine the public mind from our own observation, I should not hesitate to say, that nine out of ten would be in favor of a discrimination. The people would, on this principle, I conceive, submit cheerfully to the payment of those taxes which are requisite to discharge the public engagements; but which, if they are to flow into the large cities, or into the hands of foreigners, who have speculated upon the misfortunes of the most meritorious class of our citizens, they will bear with murmurs and complaints.

Can any principle of justice demand the payment of the present possessor of a certificate, that does not apply more forcibly as it respects original holders? Will gentlemen, then, comply with the one, and neglect the other? Or rather, as my colleague has proposed, if they are incapable to pay both, will they not prefer a composition.

Mr. WADSWORTH.

It appears to me that we have mistaken this business from the beginning, for we are proceeding as if it was taken for granted that all those who had alienated their certificates, have been compelled to it by necessity; there is nothing farther from the truth: So far as it respects the army debt it may be just; and at this moment, was a soldiery to be paid in certificates, they would part with them at as great a discount as ever. There is that disposition, generally, in the people of the army, which despises pecuniary considerations; if they want money, they will dispose of their property at an inconsiderate value to obtain it: But this remark does not extend to the industrious part, because they have carefully retained the evidences of their debt, and now will receive its value. But even of the army, it is not true, that they will suffer the loss of the discount at which their certificates have been sold. Having an opportunity of being well acquainted with the circumstances of the army, I know that many of the officers lived upon their friends, who supported them from time to time, with such sums as they had occasion for, and when they retired from the army, they repaid their friends with the certificates which they had received. The best way for gentlemen to ascertain the amount of the public debt which has been transferred from necessity, is to mix in the world, and try, from the circle of their acquaintance, to learn what the actual transfers have been. I have done this, and am conscious within myself, that 7-8ths of all the alienated debt has not been disposed of by the original holder from necessity.

When the requisitions of congress were rejected by the state assemblies, some of the most wealthy persons of the community, and those most violently opposed to continental measures, seemed to concur in the opinion, that the states would never raise a revenue for the purpose of paying the domestic debt; the people finding this a prevailing opinion, were impressed with a dread of its consequences, and sold this species of negotiable property at a rate dictated by their apprehensions. I should conceive it as a great evil, if the government were now to restore to such persons what they

lost for want of confidence. I think this circumstance will operate considerably against the gentleman's principle of equity; now, as to the practicability of the measure, those gentlemen who are acquainted with the history of the manner in which the public debt was contracted, will readily agree with me, that it is an insuperable objection. In the years 1776, and 1777, very few advances were made to those who procured supplies to the public, they purchased what they got, generally, upon credit, and they were obliged, before their accounts could be settled, and they could get their money from the public treasury, to get receipts for all the articles they had furnished, and then they received orders upon the loan-officers, who, not having money, paid them in certificates, which these people, in return, paid over to those who furnished them with supplies; then the agent appears a creditor to a very considerable amount, when his personal claim is very trifling, and those who risked their property, without pay of any kind, and who are undoubtedly deserving of some credit, appeared to be no other than speculators in public securities. I cannot see, in this case, any possible mode of discriminating: There are a variety of other official transactions which would demonstrate the impracticability, if it was necessary, to oppose the proposition on that ground.

Something has been said with respect to public opinion: I have taken the same method to inform my mind on this subject, as I recommended gentlemen just now to do on another. In the circle of my acquaintance, I find none but who are opposed to an attempt at discrimination; those who have long considered it, and attentively observed the progress of the business, are universally persuaded that public opinion is against it. I have one remark more to make, with respect to the army, which will shew, that the soldiers who were discharged at the end of the war, and who had final certificates given to them, are not so much to be pitied on account of their pay, as some gentlemen seem to suppose. It is well known, that when a soldier enlisted, he received no mean bounty from the government; but this, in many cases, almost every case, I may say, to the eastward, was considerably increased by the contributions of private citizens; we are told, that, in Massachusetts, this sum averaged at 250 Spanish milled dollars, besides which, they were paid by the town the continental wages: These

towns were to receive of congress the soldiers pay, in order to reimburse themselves ; but these towns gave the continental pay up to the soldier ; they let him have his final settlement, and were satisfied that the war was over, and the great object which they had in view was accomplished ; this was a gratuity to the soldier, he received it, thanked them for it, and spent it. Perhaps these soldiers have been better paid than soldiers were ever paid in any part of the world. There must certainly, then, be some impropriety in the term so frequently used, " the poor soldier." A fair and impartial statement of facts have shewn, that the American soldiery has been well paid, much better than the officers.

Mr. GOODHUE

Observed, that the gentleman from Virginia, who has advocated this discrimination, having acceded to the proposition, that a contract, fairly understood by the contracting parties, and where a proper consideration was given, ought, upon no terms whatever, to be violated ; it became the committee to try the question by this standard ; and, it sometimes happens, that we are so blinded by existing circumstances, that, by reversing the scene in our minds, we are more likely to detect an erroneous sentiment, than by any other argument. Let us suppose, for a moment, that the late war had been prolonged to a degree, that the debt contracted in its prosecution became so enormously large, that the abilities of the United States would enable them to pay but five shillings in the pound, and a number of persons, who had purchased securities at ten shillings, should come forward, and pray they might be authorised to call upon the original proprietors to refund five shillings of the purchase-money ; can any one doubt what the answer would be ? Would they not be told, from all quarters, that they purchased on the contingency of the public ability ? That it might have happened, that they would have got twenty shillings for what cost them but ten : It has turned out otherways ; they took the risk upon themselves, and, therefore, must abide the loss. This has been the understanding which has universally prevailed ; and every transaction of the United States, relative to assigned securities, as well as the security itself, in its very face, establishes such an understanding.

He further observed, that, agreeably to his idea, public credit became a desirable object, chiefly for this reason, that, in times when great exertions became necessary, the public might avail themselves of services and supplies, beyond what they may have money on hand sufficiently to command. This was to be done only by promissory obligations, and, in order to have any effect, and answer the purpose, they must be made assignable. He then asked, if the principle of a discrimination contended for, had existed during the late war; or, if it had been understood any advantage was afterwards to be taken of an assigned security, which assignment was legalized in the very security itself, what would have been the consequences? Would it not have put a period to our credit and exertions? Would not such a principle, now established, be an effectual bar to our future credit?

He acknowledged that the case of many soldiers, and others, who, from necessity, were obliged to part with the pledges of their public service for a small consideration, was peculiarly hard, and they were entitled to our compassion and generosity; but not at the expence of our national honor, and solemn engagements.

On motion, the committee now rose, and reported progress, and the house adjourned.

F E B R U A R Y 17.

In committee of the whole, on the report of the secretary, mr. Madison's proposition still under consideration.

Mr. PAGE.

I do not wish to trouble the committee with a formal argument in favor of the motion offered by my colleague; but I wish to enquire of the gentlemen in opposition, whether they conceive the principles upon which it is grounded to be unjust? I observe, that their replies have generally gone against the practicability of the measure, but that does not prove to me that it is inequitable; if there is justice in the case, we must not consider the difficulty of the attempt. I trust, if it shall be found to stand on the foundation of immutable justice, that its practicability will be demonstrated: However I shall not enter on that ground, but leave it to my colleague, who has so ably supported it on the other.

I would, however, beg gentlemen to answer these questions, and shew to my mind the injustice of the United States complying with their engagements made to

the first holders of certificates, as far as the case, and their abilities, will permit. Or where is the justice of doing more for the assignee than he, or his assigner, expected could or would be done? Where is the breach of faith in government, if it pays its whole debt, with a justice, blended with mercy, resembling that of Heaven itself, making impartial retribution among the children of men, on the great day of accounts? Where is the propriety of branding a measure of this nature with epithets of infamy? Or using such harsh expressions as have issued like a torrent, from a gentleman on the other side of the house? So far am I from viewing the proposition through such a discoloured medium, that I am induced to believe, if congress adopt it, they may submit its rectitude, and stand the decision, of not only a superior order of beings, but of the Great Judge of the universe, who is immutable truth itself.

What will the assignee lose by the measure? he will lose nothing, but the sanguine expectation lately raised in his mind.

Where is the interference in contracts, when the proposition is, to comply, sacredly, as far as the case will admit, with the contract, between the state and its creditors? Is not the assignment of the certificates confirmed by the nation? Does it not give to the assignee, the very thing stipulated between the assigner and assignee, that is, whatever sum the government shall be pleased to pay for the certificate? And is not the sum now proposed, more than either the first or last assignee ever contemplated, till within a few days past, would ever be paid him?

The time is now arrived when justice ought to be done; it is looked for, with anxious expectation, by all classes of our fellow-citizens; it will not avail us to say, it is impracticable, until experience has demonstrated it to be so. But the measure we contend for, is termed an *ex post facto* law, and as such, is declared to be unconstitutional. Gentlemen torture every thing, in order to produce evidence against an act of justice. How can it be such an *ex post facto* law, as is proscribed by the constitution, when that expression is conjunctive with a bill of attainder? It relates to that only, and can have no reference to the object of the proposition before us. The same idea, which prevents us from an interference on the present occasion, will prevent us, as was observed by the gentleman from Geor-

gia, from making a statute of limitation, or for correcting any frauds, which have been perpetrated on the unsuspecting soldiery. We must not contemplate the restoration of the starving soldier, with his humble wife, and numerous and naked offspring, to a more eligible situation; we must not restore confidence to the man of honor, who is buried in abject poverty, because it is addressing a language to the heart, which the haughtiness of the head disdains to hear; but, in doubtful cases of justice, the heart is the best director, on this subject; happy will it be for us, if, as I think, they both concur to give their approbation to the present measure.

And now, while I am up, I must add a few words, in favor of freedom of debate. We have been told, that we have spent a week on this subject, that the public mind is extremely anxious, and requires to be satisfied; I hope, nevertheless, the decision will not be hurried. I do not conceive the impatience of a gallery, nor a thousand galleries, ought to influence us to a hasty decision. Men who cannot avoid expressing an imprudent eagerness, ought not to be much regarded; those who would not listen to the oratorical performance, which favors their wishes, can hardly be expected to be gratified with a discussion in which other principles are advocated. I hope we shall patiently endure the subject, without shewing an improper expedition in deciding a question on which so much depends.

Mr. BOUDINOT.

I consider the question now before us, to be of the utmost importance to this country. I consider its determination, as the key-stone to our political arch, if we place it in a masterly manner, it will be able to support any burthen; but if we lay it without due attention to its situation, or compose it of materials not of a durable nature, we must injure the whole fabric, of which we may repent when it is too late.

I feel disinterested, but by no means regardless, as to the consequences; nor do I find myself hurt by having the proposition before us, on the contrary, I find myself obliged to the gentlemen who brought it forward, as it affords an opportunity of discussing a principle which has often suggested itself to my consideration. I expect that many advantages will result from a fair and candid examination of the question; and I have no doubt but it will be treated with the candor and deliberation it deserves.

I beg leave to mention, before I proceed any farther,

the situation in which I conceive, we, gentlemen, are placed here. We are a national assembly, acting on national principles; we have the interests of the United States at large, before us; we are not to consider this individual, or that, when the good of the whole is our particular object. If we lose sight of the well ordering of the whole civil society, we shall wander, and be drawn aside by the impulse of individual attraction, plunging ourselves every step into still greater difficulties, forgetting the great principle of distributive justice.

When I had the honor of replying to the gentleman from Virginia, I merely considered the measure, with respect to its impracticability, having taken, for argument's sake, its principles for granted; a fuller opportunity of considering the subject, has enabled me to take up the general principle, in the first place, with respect to its justice, and then as to its impracticability.

As there is no mode of gaining knowledge, equal to a free, candid, and ingenious interchange of sentiment, I am pleased with the discussion that has taken place. From what I have heard, and compared in my mind, I am led to conclude, that it is agreed, on all hands, that the original debt, with regard to the United States, was *bona fide* just, honorable, and meritorious; that on these principles, it was due to the original creditors. There is no pretension that the debt is unjust, or that we ought to do any thing to lessen it, for the benefit of the United States; if there was such a claim, I believe it is given up. It was also conceded, that the debt was contracted under an idea, that it should be paid in specie, according to the liquidation which has taken place, either for monies loaned, supplies furnished, or services rendered; that part of the debt, due to the army, ought to have been paid, on every principle of justice, according to the precise terms of the stipulation: But a failure happened, on the part of the United States, from the peculiar necessities arising from the rage of the war. In this situation, they were called upon for payment; being unable to make it, congress did the best thing in their power. Knowing that a delay of payment was injurious to the creditors, they ascertained the amount of what was due, and gave an evidence of the debt: This being given, they went still further, and the government made an express resolution, that the evidence so given, should be negociable by the holder; for on the face of the certificate, the contract entered into appears, that the money should be paid to the original

creditor, or bearer. This is an important part of this dispute, and ought to be noticed. That I may not be charged with speaking without book, I shall take the liberty of reading part of the report of a committee of congress, which was afterwards adopted, and addressed to their constituents, which will incontrovertibly prove, that a great part of the evidences of the public debt are transferred under an express act of the United States, that they should be paid to the bearer.

Here mr. Boudinot read from the journals of congress, those parts of the address to the states, by the United States, which had relation to his argument; from whence it was shewn, that the domestic creditors had loaned their money for a term which had expired, or had become creditors, in the first instance, involuntary. Now, as the principal could not be paid off, as in good faith it ought, the next thing for the government to do, was to secure the punctual payment of the interest, that so the creditor might be enabled to transfer his stock, at its full value, and replace to himself his principal.

They then proceed to inculcate the necessity of the measure, regardless of the magnitude of the debt. It was enough for them to know, that it was honorably and fairly contracted, and that justice and good faith demand that it should be fully discharged: They consider no other motive requisite to induce to the discharge of the debt but its justice, yet, if there were others required, no nation had stronger: They were due to an ally; to individuals, in a foreign country; to that illustrious and patriotic band of fellow-citizens, whose blood, and whose bravery, have defended the liberties of their country, who have patiently borne, among other distresses, the privation of their stipends, whilst the distresses of their country disabled it from bestowing them.

To a class of creditors, composed partly of such of our fellow-citizens as originally lent to the public the use of their funds, *or have since manifested most confidence in their country*, by receiving transfers from the lenders, and partly of those whose property has been either advanced or assumed for the public service. To discriminate the merits of these several descriptions of creditors, they say, would be a task equally unnecessary and invidious. If the voice of humanity plead more loudly in favor of some than of others, the voice of policy, no less than of *justice*, pleads in favor of all. A wise nation will never permit those who relieve the wants of their country, *or who rely most on its faith, its firm-*

ness, and its resources, when either of them is distrusted, to suffer by the event.

They conclude in the following apostrophe :—If justice, good faith, honor, gratitude, and all the other qualities which ennoble the character of a nation, and fulfil the end of government, be the fruits of our establishments, the cause of liberty will acquire a dignity and lustre which it has never yet enjoyed ; and an example will be set, which cannot but have the most favorable influence on the rights of mankind. If, on the other hand, our government should be unfortunately blotted with the reverse of these cardinal and essential virtues, the great cause which we have engaged to vindicate, will be dishonored and betrayed ; the last and fairest experiment, in favor of the rights of human nature, will be turned against them, and their patrons and friends exposed to be insulted and silenced by the votaries of tyranny and usurpation.

This, gentlemen, was the language of 1783 ; it did honor to those who, in our seats, held it out to the world ; let us not forget it, but nobly emulate their example.

Let us now proceed to consider the arguments advanced in support of the motion ; they have been brought forward by the gentleman from Virginia, in such a manner as to entitle them to the attention of the committee ; they were addressed to their judgment and understanding, and, as such, demand the most fair, candid, and decent investigation.

The public creditors are divided into four classes. First, Original holders, still in possession : Second, Those who have assigned : Third, Intermediate creditors who have assigned : Fourth, Present possessors, or the bearer. He then proceeded to consider that there was no doubt with respect to the first ; that the third might be passed over, and excluded from consideration ; but if it was necessary, I could bring forward persons, in this predicament, as deserving of attention as any that have been named ; but I will not trouble the committee with the relation, as the gentleman has not held them up as objects of future indemnification. It is urged that public justice, public faith, public credit, and public opinion, are in favor of the first of the two rival classes, and it is not denied but the other has a well defensible claim, yet, as we are unable to pay both, we are left to make a composition ; this is the only remaining expedient ; as we are to pay both, hence it is proposed to pay each 10*l*. It is alledged, that though this will not do complete justice, yet it will do more real justice than any other plan ; the pre-

sent holder will have a reasonable profit, the original holders will not be fully indemnified, but they will *receive from their country*, a tribute to their merits. I will now enter on the consideration of the justice of the measure, though the honorable mover was aware that some objections, which he calls plausible in themselves, would lie against the plan; among these, I take it, is the impracticability, which I alluded to on a former day; but I will not discuss it on that ground; I will examine it on the principle of justice, laid down by the gentleman; but, before I proceed, I beg leave to remark, that, in all disputes of this nature, it becomes necessary to the argument to define, with precision, the terms made use of, otherwise we know not when we are applying them with propriety.

The honorable gentleman has ^{assumed} ~~assumed~~ a number of terms, of which the committee may entertain different ideas: Original creditors, public justice, public faith, public credit, and public opinion. What is meant by original creditors? For that seems an important consideration, as it respects the present proposition. The gentleman does not suppose it to mean the person in whose name the evidence of the debt was issued? If that is the construction, I am willing to risk my reputation, that you will find the greatest part of the debt in the ^{hands} ~~hands~~ of those who were never real creditors of the United States. The original creditors, I take it, are those who actually loaned the money, furnished the supplies, or rendered the service; the contract was made with them, and not with their agent, the mere instrument of conveyance. What are we to understand by the term justice? Private justice is that conduct which is considered in conformity to the will of a superior who commands: Justice, between individuals, is to render every man his due; and what is the due, must be construed in conformity to the will of the legislature: Public justice, in the United States, is a thing distinct from the public justice in other countries: Public justice, in England, must be considered in conformity to the will of the British parliament, possessing the supreme power: But, in America, we have a precise line drawn; public justice must be the conduct of the legislature, in conformity to the constitution, under which they act, and the true happiness of the people; beyond this we have no power to go. I state this, because I think some arguments may be adduced from the

constitution, to evince, that the congress of the United States are not in the situation of the parliament of Britain, or the crown of France.

Public faith is a strict compliance with every promise which is not, from unforeseen accident, subversive of the general welfare. If we owe a man five shillings, we ought to pay five shillings, unless the payment of it would prove the destruction of the community, in which case we are not to pay it. Justice, with respect to government, is distributive justice; it is justice to the community, and not to individuals alone; for if justice, with regard to individuals, will injure the whole, it is not distributive justice. Hence the claim of an individual, that would deprive us of the means of self-defence, is not to be satisfied; and though it might appear to be injustice, with respect to him, yet it is that kind of justice which government is bound to administer, whose first object is the preservation of the whole society.

Public credit I take to be the confidence reposed in a state, or body politic, who are borrowing money; for the security of the payment whereof, a permanent annual fund is appropriated. Under this head, I shall proceed to examine the difference between the original creditors of the United States, and their assignees. The original creditors, I have stated, are those persons with whom the contracts were made. I have heretofore reminded the committee of the origin of this debt, and of the nature of the contract. From the acts of the former congress, it appears, that congress, in order to benefit those persons, whom they could not immediately pay off, gave to them an evidence of the debt, to which was annexed a negotiable ~~document~~ ^{certificate}: Hence the contract was formed upon the idea of the transferable quality of the ~~payments~~ ^{certificate} to be ~~made~~ ^{made}. The original creditor having, then, alienated his debt, under these circumstances, conveyed all his right and title thereto, under the sanction of the government; the transferee is, therefore, *ipso facto*, the original creditor. This will be set in a clear light, by a reference to the face of the certificate itself, where the promise is not to the original holder alone, there is an alternative to A. B. or bearer, either one or the other: Will any one say the bearer is not concerned in the contract? How can you say to the assignee, that you have nothing to do with him in this business, when the resolutions of congress,

and the exprefs words of the evidence, acknowledge him a party in the contract, at least equal to the original creditor? The terms of the contract were understood previously to the loan, and, in many cafes, before the fupply was furnifhed, the negociability of the certificate was held out as an inducement for the perfons to enter into the contract with the government. We ought to confider the original creditor, and his alienee, under the faith of government, before an upright judicature, contending their different claims. The latter does not deny the original claim the other had, he only contends, that it is conveyed to him, and that he acquired it on the plighted faith of the public. Confidering this, in every point of view, I am free to declare, that public juftice requires the bearer to be confidered as the original creditor.

I need not recapitulate the diftreffes ^{of the} United States, at the time they pledged their ~~juftice~~ ^{faith}, in order to call out the exertions of their citizens. The United States, in want of money, in a new and untried fituation, furrounded with all the horrors of a doubtful war, failing of their ufual refources, years pafs away, and no provision is made for the difcharge of their contracts; the government proves inefficient, and new doubts and want of confidence arifes. Is it, let me ask, any wonder that, under all thefe circumftances, the market fhould be affected? Gentlemen fay, that the original holders did not receive a valuable confideration for their flock. What do they mean by a valuable confideration? Do they mean the full amount of what the certificate fpecified? This is no general rule; the circumftances I have already enumerated, induced a want of confidence, and the whole mafs of public fecurities depreciated. The holders, for various reafons, fold out at the beft prices they could obtain; they fhifted the rifk from themfelves on to the alienee, allowing him one half for the premium of infurance. What is the true value of paper? In purfuing this enquiry, does not every perfon, acquainted with mercantile tranfactions, is it not the praftice of every gentleman on this floor, to confider, in his purchafe, the intrinsic value, and the adventitious circumftances connected with the property? If it is a note, does he not confider the credit of the party, and his ability to pay? Are there not tables of innumerable calculations to fhew what this true value is? Now, may not it be concluded, between men, that 2/6, 5/6,

or 10*s*. is a reasonable allowance for a note of 20*s*. under all circumstances. But I agree with gentlemen, if they suppose fraud and imposition in the transaction, that it vitiates the negociation, and such can and ought to be redressed in our courts of law. But if the contract is fair and open, it is valid. I will state an instance:—I have a ship, with a valuable cargo, which I expect to return from India by a certain day; the time elapses, and three months pass away without hearing any thing respecting her; and, in short, she does not arrive within a period more than sufficient, after she was expected, to have completed the whole voyage. The probability is, that she is lost; I apply to have her insured; they ask me *me 17/6 in the pound*; I conceive 2/6 better saved than lost: *insure my ship*; Would any man say *we* were acting inconsistent with justice? I apprehend not. But would any man suppose I acted conformable to that principle, if, in a fortnight afterward, the ship arrived, and I was to refuse paying the premium stipulated, upon a pretence that I had not received of them a valuable consideration; that the half crown to be given to me, in case of loss, was by no means adequate to the premium I had offered; that 17/6 was allowing them too much for what they had done; would not every man laugh at me for terming such conduct either public or private justice? Now, let any man sit down, and, considering ~~what was~~ the situation of the United States; how much depended upon the successful issue of an uncertain war; how much depended upon the acquiescence of thirteen legislatures; nay, what is the risk, at this moment, when every other risk is passed, that the transferee does not obtain the full payment of what was stipulated; or, if he eventually succeeds, as to the principal, what he risks of the interest, some people might make the calculation at ten per cent. and others at five; but there is undoubtedly some risk on the event of every public measure. Nay, at this moment, if your debt was funded, the probability that exists of a fall of interest would affect the principal. Your secretary, in the report before you, says, that 100 dollars, on that account, is not worth more than 82; and Davenant calculates, with great plausibility, and, I dare say, no less truth, that 7*s*. cash, is worth, at any time, 10*s*. in notes of funded securities. If this, then,

be the case in England, an old, experienced, and well established government, I ask, what our securities must be worth, a young government, without knowledge of finance, or resources? I heard a gentleman say, that 20/ was the value of a certificate for that sum, because faith ought to be put in the government; but, I think, after this investigation, no such idea will prevail. It was said also, that the creditors had received the interest. When was it paid? I was an original holder of two or 3000l. part of which I lent in gold and silver; I never received interest, but for a short time, in bills on France, which, although for specie, were considerably depreciated; in paper money, and since then, in indents. Gentlemen know what kind of payment indents were, they were lower in the market ~~than~~ than the principal; but suppose the interest had been regularly paid, it would not affect our reasoning.

Let us suppose, by way of illustrating the conclusion, the war had taken a different turn; that, instead of being crowned with the noblest title of human nature, the assertors of liberty, and defenders of the rights of mankind, we had failed, and become cursed rebels, whose fate was suspended on the limb of every tree. ~~Now,~~ During the war, I bought of you, for 50 dollars, a certificate of 100 dollars, which, in the event, turns out not to be worth a single farthing; now, I apply to you, and tell you that justice, good-faith, and common honesty, require you to give me back the half of the nominal value of this security; would not the natural answer be, that you sold it to me under its nominal value, by which I was paid for the risk, and that I have no right, in honor or good conscience, to require the return of any part of the purchase money? The risk has turned out for or against me; if your rule will not work both ways, it is not founded on just principles. Gentlemen must feel the weight of this argument; because it applies to their understanding. Then, from these considerations, I conclude, that the sale was a fair one; where then lies the justice of the demand? That the original creditor is injured, I acknowledge; but, by whom? The United States.—Who ought to pay the damages? Those who caused the suffering: But to whom? I will instance a case: Suppose a bill of exchange, or a note of hand, is drawn on a man in New-York; the holder calls upon him to inform him the bill is due; the man, knowing his circumstances, and inca-

capacity to discharge the demand, which he acknowledges to be just—tells the holder of the note his situation—the holder must, of necessity, wait till the debtor restores his affairs—but having himself pressing demands for money, he brings the bill, bond, or note, into the market; the concurrent opinion is, that the debtor is an expected bankrupt, and he gets no more than five shillings in the pound, for the amount of the note; but the debtor's affairs having taken a fortunate turn, he is able to pay the full demand; will it be just in him to say to the transferee, you gave but five shillings in the pound for my note, by which my friend suffered damage; now, to repay that, in some degree, I'll pay you one half, and him the other. I will turn to the enlightened and liberal merchant, to know if this conduct is sanctioned by either the principles of justice or honor? In all cases of notes and bills, of a negociable nature, the assignee stands precisely in the shoes of the assigner.

Here I may be reminded of the case of an executor, as contradictory to my principle. The gentleman from Virginia (mr. White) says, the executor who obtains his testator's bonds at an under value, can retain no more in his hands than the sum he actually paid. I think this instance is against him, for he does stand in the shoes of the assigner, not as an individual person, but as an executor; those whom he represents, through his agency, has the benefit.

But on what principle can a composition be urged? If the assigner does not receive more than the money paid, where is the justice of depriving him of the stipulated insurance? If the case could not be supported by the common practice of the world, how can it be supported where the case is much stronger? The dispute is between *Congress and the bearer*; is not the contract as much between the United States and the bearer, as it ever was between the United States and the original creditor? I think I have clearly shewn this to be the case. Why was your certificates made negociable? On what principle, then, violate your contract?

Let us now, sir, test the dispute on the part of congress, by the principles of the honorable mover. What says public justice? The constitution, which is your creator, says that no *ex post facto* law shall be made: Here is the rubicon; this is the line which you cannot pass. The gentleman from Virginia, who spoke this morning, endeavors, by the conjunctive, disjunctive, or, to place the expression in another point of view, he supposes the *ex post facto* law alludes to bills of attainder; but he does not pretend, solemnly,

to support this opinion: No, sir, the language is unequivocal; no *ex post facto* law shall be passed: But how do you support the claim of the original holder, who has transferred? By an *ex post facto* law. Is not the present proposition one? Was it not lawful and just to make these purchases? The ordinances of the late congress invited to it; it was a quality they attached to the paper they issued, not without design; shall the assignee be deprived of the benefit of a contract, founded in justice, and which is secured to him in the most solemn manner. The same constitution, which proscribes *ex post facto* laws, holds up the idea, that the obligation of contracts shall not be impaired; if it forbids this to the states, is it to be presumed that it was meant to be allowed to the United States. But, suppose this house had it in their power, agreeably to the constitution, to violate the obligation of contracts, will you set the first example? When the states are forbid, by the constitution, to deviate from the line of rectitude, can it be presumed that the general government was thereby intended to monopolize the right of doing iniquity?

But I have a greater objection still, drawn from the constitution: It is violating the principles upon which the constitution itself is formed; it is blending the legislative and judicial powers; setting up ourselves as a court of judicature, with authority: What becomes of that freedom, which the worthies of America were anxious to secure and perpetuate? The destruction of the moulds, which separate the two branches of the government, will enable them to run together, and collect into one body; and, whenever this become the case, farewell to freedom; a government thus formed, can be little less than a tyranny. Does not every gentleman shudder at the consequence? But how are we to act as a court of justice? How are we competent to determining questions, in justice and equity, between citizen and citizen? But I turn indignant from the idea; I would not disgrace the dignity of ~~our~~ situation by such a humiliating sentiment. Sir, I think myself a sovereign, whilst I am exercising the important trust committed to my care; and I never can consent to view a seat in this house as that of a judge, deciding upon a question of property. I hope I shall not live to see the day which intermixes the legislative and judicial powers, because, I fear, that day will be the last day of our freedom.

But why exercise such authority? Is not the judicial department competent to decide every claim of right? Are there not courts of equity, as well as common law courts? Is not this question said to be a question in equity? If so, why not refer it to the competent jurisdiction? Why apply to congress for a remedy ~~which~~ ^{when} they have not, ^{the power} but which others have, and are inclined to administer? By our ^{consideration} ~~nature~~ we are the worst of all courts. Have you heard evidence on the question? Who are the original holders? One gentleman tells you, the office-documents will shew; another tells you, there are no such documents there. I wish gentlemen would contemplate the precipice on which we are standing, before they take the fatal leap. I beg gentlemen to view the subject, for a moment, in this point of light, and I have no doubt they will relinquish the pursuit. The honorable mover ably supported the ground he took, he did it fairly, and upon principle; but from all the variety of considerations which he urged, I have not been able to select one which influences my judgment, though, I confess, if I saw my way clear, I should approve the object ^{as a benevolent one} ~~of benignity~~; but, sir, public justice is opposed to the idea.

What is the happiness of the people? Is it not concerned in our decision? Surely it is. The means to promote this end are within our power; their happiness requires us to administer their affairs, so as to secure their defence in times of danger. Now, if you hazard this, you do a material injury: If by doing what you call an act of justice, you put it out of the power of the United States to anticipate her funds, you do, perhaps, an irreparable injury to the nation. Four out of five, I venture to say, are still original creditors in possession. When you take up the state of the public debt, and see that the loan-office certificates alone amount to eleven millions and an half, and that all that has passed through the hands of the commissioners of the army accounts is but seven millions, call it eight, of which one-half must have been the property of officers; the other part, say four millions, has been paid to the soldiers. Now, when it is considered again, what sums have been sold from other principles than necessity, the debt which is supposed to have this claim upon our equity, will be found comparatively small: Now, I ask, will you not, in at-

tempting to serve one, by doing him, at best, but partial justice, you will not injure four in their indisputed rights? because, I contend, their paper would fall in the market below what it would otherwise be. You injure, therefore, the original creditor, and, in many instances, the very man you mean to serve. What do you propose to pay in? Paper. That paper which you issue, and call 10*s.* is not worth so much as money, consequently, when it comes to market, it will sell for less; at the next session you will be bound to make up the deficiency. This is to be done in the same manner; and thus we are to proceed from session to session, always providing for the discharge of our debts, but never able to ascertain or pay them.

I ask, if our conduct would be consistent with public faith? You have received the full value of the security; you have, by the most solemn acts, authorised the transfer; you pledged the public faith, at the time of the original contract, to the bearer, as much as to the original creditor; you have repeated this pledge over and over again. Does not public faith, then, require the true and just performance?

If you find that public faith is in favor of the assignee, it is a strong argument that public credit is not against him: Will mankind give us credit for doing incomplete justice? What will the public say of our conduct? Here, say they, you have been transforming yourselves into a court of justice, to determine accounts, but you neither admitted evidence, nor permitted a trial by jury; you have stripped me of my property; ~~and~~, will I put myself under your protection again? In this way public credit will fall to the ground, no man will lend you a single farthing.

If you give a new certificate for 10*s.* to each, and it is brought into market, it will not command 2*s.* 6*d.* in every 20*s.* after you have established the principle. I acknowledge the proposition is to give the highest market price, 10*s.* And will this be a sufficient compensation? By what rule of justice do you proceed? Is there any line of justice to be drawn exclusive of the contract? Was not the moment of danger the time, and the parties the proper persons to judge of the contract? How would this stand between man and man? Yet there is more necessity for honesty, justice, and fair dealing, above

board, in a government, than between private persons. In the latter, the want of those essentials may be disguised by hypocrisy and chicanery, may exist under a fair outside; but, in public transactions, all things are open. Shall we do, then, in the face of the world, what we would not be warranted to do in private life? Or what, if we did do, and were caught in it, would ruin our credit for ever? What is the reason we have more credit than the former government? It consisted of individuals of the strictest honor and probity; and in them were collected the legislative, executive, and judicial powers appertaining to the government: A body thus constituted, comprehending all the functions of government in itself, could not avoid deciding questions in such a manner as to evince that private rights were not endangered; yet its imbecility rendered it in no wise a dreadful enemy. Its various and glaring imperfections induced a change in the government, and we have now secured, by a proper distribution of the powers, all the integrity and efficiency necessary to inspire a perfect confidence in its rectitude and execution, our deliberations are checked by the division of the legislature into two branches. This, we may flatter ourselves, will secure personal property, and private rights; but only while it does this, shall we acquire and possess the public confidence.

Let us turn our enquiries to ascertain what may be the *public opinion*. An honorable gentleman thinks that 99 out of 100 are in favor of the original creditors; I deny the fact: ~~And~~ have gentlemen brought forward any kind of evidence in support of this assertion? What evidence have we at all of the public opinion being favorably inclined to them? None. I have been looking out, and find the best evidence the other way. I come from a state where there are few assigners; but the general opinion there is, that the contract cannot be so easily broken. ~~But~~ I have evidence against discrimination ^{both} positive and negative. The positive is, the conduct of the states in their legislative capacity: It is well known that several states have, at different times, taken up this business; but, have they made a discrimination? The state of Maryland called in the public securities, and gave her own notes in payment, calculated on the scale established by the late congress; but did she discriminate between the original and transferred stock? She discrimi-

nated not. Pennsylvania exchanged her certificates for continental ones; she did not discriminate. The state of New-York funded, and paid the interest; but she made no discrimination. And New-Jersey funded these very debts, at six per cent. and paid the interest thereon, without discrimination. This, sir, is positive proof of what is the public opinion. ~~But~~, I can go further, and assert with confidence, that a motion has been made in the legislature of Massachusetts, for a discrimination, and it did not even receive a second. From these facts, gentlemen will be inclined to doubt, whether public opinion is so decidedly in favor of discrimination as they have been led to suppose; but I will mention one additional circumstance, it is negative evidence, and, therefore, not absolutely conclusive. We have had no petitions or remonstrances on this subject; but in answer to this, it may be said, that the claimants are poor, and scattered over the country; this may be the case, but, if I judge right, they are not poorer than many of their fellow-soldiers, who have applied to congress for their invalid pensions: Hence I am inclined to believe public opinion is not so general in their favor.

This brings me to an important question. The parties are, before us, both entitled to justice; what is to be done? The original holder is a sufferer; what is to be done with his claim, having received but one shilling and six-pence of his just due? I answer, he is exactly in the situation of the man who lost his all by the depreciation of the continental money; or whose house was robbed, and then fired by the British; or the inhabitants of York-town, Charlestown, and Falmouth, whose cities were sacrificed to a ferocious enemy; with this difference, that the loss of the one was voluntary, on the principle to yield a part in order to save a part; which comes within the definition of public justice. But if you extend the principle of justice, impartially, so as to take in this case, let us enquire what justice would say—suppose the case to be that of a private person before a court of equity, or even that of a nation before that supreme tribunal which forces the most potent to do right?

A is bound to B in an express contract; A fails in the performance, which reduces B to distress: B, with the assent of A, sells to C, (by which he is considerably relieved) tho' at an under rate, and, therefore, suffers 50 per cent. loss: C calls for payment from A, of his principal and simple interest: B calls for damages suffered by the breach of A's promise; where is the court of law, or equity, in

the world, nay, where is the court, in more pure regions, which would not give the debt to C, and damages to B, and both against A. But is there any room for a decree against C? If, then, the argument of the people's happiness is brought in, and it is shewn that such a decision is inconsistent therewith, this must be against the claim of B, but not against that of C. I well know the worth, the honor, and integrity of the gentleman who brought this proposition forward, and I would appeal to those qualities to answer me: Suppose, as an original holder, he was to have given him, by the United States, ten shillings out of every twenty he had assigned, at the expence of the assignee, would he not, on a principle of honor, return it?

It has been said, that public faith would not be hurt; there would be no more fluctuation in the stocks, as they would be placed upon permanent and competent funds, and out of the power of congress. It has been said, that were France or England in our situation, some such interference as is now proposed would take place. In the reign of Lewis the 13th, the famous cardinal Richelieu, contrived several schemes for paying off the national debt; they were all arbitrary, and founded on the power of that monarch. A *preliminary* ~~parliamentary~~ step proposed, was, by an act of power, to reduce the debt from six to four per cent. Then he proposed to allow the creditors the simple interest only, and make them account for the sums received, and charge the balance against the principal. This, however, was rejected, because he found it would destroy all future credit. The next expedient was the same as now proposed, to reimburse the assignors the sums actually paid by them, with interest; but finding it impossible to discover the truth, he rejected this also; and, at last, adopted the mode of paying what they sold at in market. This last, the Cardinal said he found to be the most practicable, and most equitable; but the famous sir James Stewart, says that it was the most arbitrary, most liable to abuse, and most opposite to public credit.

Early in the reign of Lewis the 14th, a chamber of justice was appointed to go through the investigation; but such was the labyrinth in which they were involved, that, after spending some millions in the attempt, they were forced to relinquish the design. Look at the commissioners appointed at home but a few years ago, to settle the accounts, and consider the frauds that were imposed on them, and you will dread the experiment. But if it had been practicable

in France, their government is so totally different from ours, that no rule there would apply here ; and the author, I before named, says, that had one half of the acts of power been exerted in England, which have been so familiar in France—had half the liberties been taken in tampering with the claims of creditors, a total bankruptcy would long ago have taken place. He recites one act of power which he supposes sufficient to deter monied men from lending to France, on perpetual interest—it is the reduction of 100 millions of Mississippi, charged on the ordinary revenue at two and a half per cent. ; this was, by successive acts of power, first reduced from an exorbitant interest to a moderate interest, and then down to two and a half. Could an act of the kind be perpetrated in America, and public credit survive the shock ? But gentlemen have endeavored to shew that Great-Britain suffered no injury from a similar interference ; the case of the South-Sea scheme was adduced : I endeavored to investigate this business ; but history did not furnish sufficient lights : I examined a great variety of authors ; but unsuccessful attended every effort, till I turned to the Debates of Parliament, and there I found the whole of this business fully stated : Here I acquired the true history of its rise and progress. In vol. 8, anno 1721, I found the proceedings of parliament thereon. The court lords, and those in opposition, crying out against the directors and others who had abused the act and intention of parliament, a secret committee was appointed to enquire into their proceedings ; the lords examined many of the officers of the company, with what success is shewn by a subsequent resolution ; in which they declare that the sub-governor and directors, had prevaricated with them in giving false representations of several matters of fact : That by lending money on stock and subscriptions, they were guilty of a notorious breach of trust ; and that they ought to make good the losses which the company had sustained by their fraudulent management. A few days afterward, after the doors of the house were locked, several members of the secret committee acquainted the house, that they had already discovered a train of the deepest villainy and fraud that hell ever contrived to ruin a nation ; which, in due time, they would lay before the house ; and that, in the mean while, in order to a further discovery, they thought it highly necessary to secure the persons of some of the directors, and principal South-Sea officers, and secure their papers. Three days afterward they resolved, that the trans-

ferring of stock, belonging to the South-Sea company, or giving credit for the same, without a valuable consideration actually paid, or sufficiently secured; or the purchasing stock by any director, or agent of the South-Sea company, for the use or benefit of any person in the administration, or any member of either house of parliament, during such time as the late bill, relating to the South-Sea company, was depending last year in parliament, was a notorious and most dangerous corruption.

On the 2d February, it is resolved, 1st, That the directors, &c. buying the midsummer dividend, about the 4th January, 1719-20, and paying five shillings down, and three pound after the receipt of the said dividend, was a fraud to the persons with whom they contracted.

2d. That the giving a premium for the refusal of stock, at higher prices than they knew the value was, was a fraudulent artifice to raise the price of stock.

3d. That promoting the third subscription at 1000 per cent. was to answer a particular end, and cheat the public.

4th. That declaring 30 per cent. dividend for the half year, ending at christmas, and 50 per cent. per annum for no less than twelve years after, was a villainous artifice to delude and defraud his majesty's good subjects.

5th. That the declaring the midsummer dividend to be paid in stock, when they had money by them to answer the same, was a notorious fraud, and was one occasion of the misfortunes that ensued.

The petitions that were read from the various parts of the kingdom, praying justice, shews that the interference was for the support of the public faith, and not a violation of it. Those petitions set forth, that they had lent a great part of their estates on the credit of several acts of parliament, for the public service; and that they thought they had sufficient security, but found themselves betrayed and given up by the managers appointed by their trustees, contrary to the true intent and meaning of the law, and contrary to the faith of public credit; and begging the justice of the house for relief against the fraud of the late South-Sea directors, as well as the great and notorious breach of trust in the managers.

On the 29th of July, the king gave his assent to the bill for raising money upon the estates of the governor, directors, and others connected with the South-Sea company, towards making good the great loss and damage sustained by the company; and afterwards the parliament were prorogued.

ed to the 31st of the same month, when they met again, and the commons, in answer to his majesty's speech, resolve, That, for the re-establishment of public credit, relief be given to the South-Sea company, with regard to the payment of 4,155,306l. 4s. 11d. and the four and a half years purchase, and one year's purchase upon several annuities, and other national debts; the said company giving such consideration to the public, and such further relief to the several proprietors, and persons concerned in interest with the said company, as the house should think proper, and then proceed to other similar resolutions; all calculated to relieve the distress of those who had been the dupes of the managers of the bubble; they discharge all persons, that borrowed money of the company upon South-Sea stock, who actually transferred and pledged the same, from all further demands of the company, upon paying ten per cent. on the sums borrowed: They prohibited the requirement of special bail upon actions brought upon any of these contracts, and the award of execution upon judgment obtained. Here, it is true, you find the parliament of Great-Britain interfering in contracts between citizen and citizen, but not in contracts between the government and the citizen. Its avowed object was the restoration of public credit, and not its destruction. This event is rather a warning to us to be cautious how we interfere in any manner to injure public faith, or ~~lead~~ ^{frustrate} upon public justice.

Thus have I given my reasons for differing with the motion on the table. I now come to the impracticability. When I replied to the gentleman, on a former day, I mentioned this as an objection perfectly satisfactory to my mind; and I argue it, 1st, From the nature of the debt, which consists of continental money, loan-office certificates, lottery prizes, certificates of soldiers pay, commutation, commissaries certificates for supplies furnished, and services rendered, indents, the registered debt, and treasury certificates. 2^d, From the actual transfers which have taken place, with regard to states and public bodies, some states have adopted new loans, and received your certificates in lieu of others of their own, which gentlemen will not pretend to say they can discharge for less than twenty shillings in the pound. States have passed tender laws to support these certificates. New-York and New-Jersey have taken measures of this nature. But, beside, there has been paid into the treasury of the United States, a million of dollars, in certificates, for your western lands; they were not paid

in by the original holder, yet you gave value for them. The fines and penalties which have been paid, ^{to} five millions of dollars, are already paid into your treasury, for which new certificates have issued ~~at the~~ ^{into the Treasury} registered debt; three mil- ^{of the diff't} lions, perhaps, are in the hands of foreigners: Consider the ^{States amount} circumstances under which they became purchasers: They ^{to a large} sent to the president of congress; they had certificates from him that the amount of the debt could not be varied, nor its terms changed; it was liable to no reliquidation; ^{sum} individual members of congress gave similar testimonials. I believe they took the precaution of applying to your foreign ministers, and they obtained certificates from them, under which ^{alone} they were disposed to purchase into your funds. These circumstances are worthy of consideration; I do not pretend, however, that they should have weight, if the principles be not supported by reason and facts.

3d. Proof of the impracticability arises from the impossibility of ever discovering the truth, by the arts and devices which would be practised to disguise and conceal it; the want of documents to trace it, and the deaths and absences, which may justly be apprehended.

4th. From the impracticability of the enquiry, and the ~~time~~ ^{length of} it would take a host of commissioners, clerks, and ^{time necessary} judges to go through it: You must adopt some general ^{way for the} rule, and this would work injustice; or you must vest a ^{negotiated} discretionary power, in other words, an absolute power to be exercised by the commissioners; and this would put the right of property in the gift of your officers, without the privilege of trial by jury, where facts were disputed. If I say I am the original holder, because my name is on the certificate, how will you determine the contrary? But if these objections are not sufficient, my

5th Will preponderate considerably. The expence will be an insuperable objection. The chamber of justice, appointed in France, which I have already mentioned in the affair of the Mississippi, sat some time in a similar investigation; they ascertained claims to the amount of two millions; and their expences amounted to thirty or forty millions.

6th. From the injury to the indisputable creditor, by keeping him ^{voluntarily pay} ~~in~~ and running him to the expence of a useless investigation.

7th, and lastly. From the absurdity of requiring men to subscribe to a loan, by which they must lose half of their principal,

In fine, sir, I am convinced that the measure cannot be adopted, as it is founded on wrong principles; but if even the principles were just, their execution is impracticable.

Mr. SEDGWICK

Moved the committee to rise; but several gentlemen opposed it with a view of having the argument continued.

Mr. WHITE

Wished the committee to rise, as he was convinced the committee were too much exhausted to attend fully to any further argument this day; and it would consequently put the speakers under considerable disadvantage.

The committee hereupon rose, and reported progress; after which the house adjourned.

F E B R U A R Y 18.

The house went into a committee of the whole on the report of the secretary of the treasury.

Mr. MADISON's proposition for a composition between the original holder and assignee, still under consideration.

Mr. STONE.

I shall not attempt to shew the importance of the subject before us, as it relates to public credit; or as it will affect our character as a nation, at home and abroad; these have been explained; but it is proper for us to consider how far the amendment may operate to establish a precedent of continental and state legislation, the influence it may have on society, and the rules of civil conduct between man and man. Every community must experience that the conduct of the government will influence the opinions of the individuals: And again, the spirit of the individual will transfuse itself into the government. This action and re-action, operates more powerfully in a republican government, founded on representation, than any other.

Our situation is made more important, on the present occasion, by a disagreement on principles, which ought to be fixed and plain; to me it seems that we differ on the principle of public justice—this may be unfortunate—let us endeavor to be reconciled. If the true distinction between natural and civil justice be accurately drawn, we may annihilate the point in contest. Agreeably to the principle of natural justice, no contract is perfect unless there be an equivalent; and that which we call a valuable consideration, on which to ground a contract, is founded on the idea of an equivalent, and pre-supposes it. And, I believe, the idea of such a consideration being an equivalent, is the foundation of the validity of a contract, even in the English.

law ; and is always carried into effect, wherever the execution is safe and certain ; because I think, whenever it appears in any court of justice, that the consideration was not an equivalent, that then the contract is not carried into execution. The execution of the principle of natural justice, then, is safe ; for instance, 99l. 19s. 11d. is not a consideration for 100l. but a small sum may be a consideration for a valuable property ; this does not arise from an infraction of the principle ; but because the property may not have a determinate value in the society ; and it would make judges arbitrary, legal proceedings *extremely* expensive, and contracts uncertain, if an extensive discretion, as to the value, was admitted. But whenever the consideration is so small and inadequate, as to appear so plainly and satisfactorily that the judge cannot be mistaken in determining it not to be an equivalent, there the contract is not valid.

Now, if we have received services from the soldier, and we have given him paper, the question will be, whether that was an equivalent, and the paper a proper payment ; or, whether it was only an evidence of the debt ? I take it to be a granted point that it was not a payment, but an obligation to pay whenever the United States should be able. It appears to me, then, that it was the duty of the person who received the paper, to wait a reasonable time ; and the duty of the nation to make actual payment as speedily as possible. If the person who had received this paper had wantonly parted with it for nothing, I agree we should have been under no more obligation to pay him the expressed sum, than if we had paid him money, and he had flung it away or wasted it ; but if, on the contrary, there was a delay in the execution of the contract, on the part of the government, which compelled him to part with it, a compensation is equitable.

The same rule will apply between the original holder, or person who rendered the service, and present possessor or assignee ; for shortness we will distinguish them by the names of soldier and speculator. The speculator, when he dealt with the soldier, must, from the nature of the thing, have induced him to believe, that he gave him an equivalent for his purchase ; and it might have been an inducement to the soldier to sell, to think he had something more than an equivalent ; the speculator thought he had more than an equivalent, throwing necessity on the one side, and fraud on the other, out of the question. Then the confidence was equal, perhaps not a penny between them : I can hard-

ly conceive the exchange took place on any other terms. You never can allow the confidence of the speculator to be estimated very highly, perhaps at not more than one for ten. For if it is admitted, that the speculator had entire confidence, he was guilty of a palpable fraud, and a violation of the first principle of justice ; it amounted to this, that he gave 10l. in money, for 100l. bond, which he was certain would be paid. I believe, if the case stood exactly in this form, no man would hesitate in deciding its illegality. If a man takes 100l. for 10l. it is illegal ; but suppose there was a risk, and this risk was considered by the speculator as little less than ten for one, has he not discovered his own mistake when he sees he gets an interest of sixty per cent on his capital ; and that capital ten-fold : And this contract ought to be void on the principle of a mistake ; and here you place the speculator between Scylla and Charibdis. If he really thought the certificates only worth one for ten, you can give him no credit for his confidence ; and you will admit, that he ought to be satisfied with a reasonable advance on his purchase : But if you give him entire credit for his confidence in government, you must give him no credit for his honesty. If both parties had known of this event, the contract would never have taken place. If you pay the whole sum, the speculator ought to take no more than what he gave a fair equivalent for. Gentlemen who seem afraid of giving to the soldier a part of his original claim, lest they affront his nobleness of soul, make no scruple to offer the speculator ten times the sum he is entitled to, on the principle of natural justice, without any apprehension that his honor will receive a wound. If the claim of the soldier is extinguished by receiving two shillings in the pound of the speculator, upon what principle is it contended that the latter should receive more than distributive justice ? Arguments, proving that the justice due to the first has been satisfied by what has been done, apply with greater force to the latter.

It has been doubted, and a question has been agitated, whether we shall exercise the power of reconsidering these contracts, and whether a modification is constitutionally in our power ? I will not go into this subject, or any other which ought to be taken for granted. I shall take it, that we are authorized, and do mean to interfere ; you must act. Do you mean *now* to pay the principal and interest now due ? I believe not. Will you shelter yourself under the plea of necessity ? That is impossible. I dare say, if the

United States were sold, they would at least be worth 600 millions of dollars ; and we have but 80 million to provide for. You having, then, the means and the power, I trust you mean to exercise them ; as you exercise them, you ought to exercise them as justly as possible ; then, to do this, you will, it is said, personify the three parties concerned ; the United States, the original holder, and speculator. I do not clearly comprehend the idea of a personified state ; perhaps it arises from my dulness of apprehension. Man, in his natural capacity, is sometimes obliged to do what is considered unjust ; but a state, when it has power, is not obliged to do what is unjust. The state, then, in this respect, is doing what an honest man would do, if he had the power of conducting this business as he thought proper.

The speculator comes to you with his bond, and tells you it is due : The soldier tells you that he has done services to a considerable amount, for which he never has been paid ; and that those evidences of the demand which you gave to him, were obtained from him, for one-tenth part of what they were declared to be worth. The state says to the speculator, you have made a great deal, and made it out of a man who has risked his life, and borne every burthen, which human nature could bear, with the greatest fortitude which the most virtuous heart is capable of exerting ; let him have a part back : The speculator answers no ; here is your bond ; consider again, replies the state, that the veteran's services, at the expence of his health and property, at the risk of his life, has saved you and yours ; and not only that, but he is obliged to pay of your demand, more than he has ever received : What is now his answer ? Here is the bond ; pay me my bond. Under these circumstances, supposing the state an individual, he might, without much infamy to his character, exercise the power which he has over his own bond, in order to do justice between the parties. He might say to the speculator, you had the soldier in your power ; you did him not justice ; we have you now in our power, we will do you complete justice, but not more. A private man could never be injured in his reputation by such conduct : Indeed, according to the result of these circumstances, the hardships of war, and the breach of contract, has unfortunately inflicted upon the man, the most meritorious in

this community, or perhaps in any other community, sufferings and miseries ; a punishment sufficient to atone for the guilt of the greatest crimes. This, in the event, appears to be the situation of the favours of America.

What sort of character are you to acquire by this conduct ? According to your acts and merits, such will be your reputation. If you evince by your determination, that you will reward merit, and do justice under every circumstance, to those who have acted meritoriously, such will be your reputation ; and you will have the assistance, support, love, and veneration of those who are meritorious ; but if, on the contrary, you neglect services of that kind, and are strictly bound to the payment of whatever appears due by you on paper ; what will be the effect ? Men will not be extremely anxious to serve you, but extremely anxious to get your bond : And what political influence will this have ? It will be this ; it will place you in the situation of most governments in Europe, which do not depend for support, upon the love and confidence of their own citizens ; but depend altogether upon mercenaries, who are sure of their pay, because they will be paid, whenever they get your promise, they will compel the performance.

It is very clear from these sentiments, what we would do if it were in our power ; but there is a difference between what we feel, and what we would do as individual men, and what we ought to do as a nation : I believe there is an essential difference between the executing of public and private justice ; hence, I believe gentlemen are mistaken, when they attempt to personify a state. A great legislator, Solon, said, that the laws which he made were not the best possible, but the best the community were able to bear. The public must lay down general rules, which will operate more justice than injustice ; and they must very often enact laws which they are almost certain will work injustice, but will produce benefit to the public, and secure the great interests, peace, happiness, and liberty of the community. I shall only mention one case ; it is very clear, that when an act of limitation passes in any country, it will be productive of injustice, yet, in civil institutions, perhaps no act is more necessary.

Here we are to consider how far we may deceive the

public, in the opinion heretofore entertained of this government ; how far we can exercise an arbitrary discretion in deciding on our contract, and departing from the letter of it, and the extensive influence this may have ; it appears to be a dangerous and unhappy step. In its influence it would introduce a lax mode of judging, in all cases, legislative, judicial, and private. Can the peace and happiness of the community sustain the shock ? It would be setting up a standard of justice, different from the constant habits of the people. I, myself, determined to adopt measures calculated to do justice between the soldier and speculator, if any could be devised, without breaking down those bulwarks. It would be agreeable to me, and I really have not yet subscribed to the idea, that it is impossible to do both. I would wish, if it was possible, to arrive at this point ; that we should throw out inducements to those in possession of transferred securities, to return them into the hands of the original holders for a valuable consideration ; this may be done ; and it appears to me it may be done, and not be such a breach of contract as is now proposed by a discrimination in the time of payment ; not deducting from those certificates, by taking away from the original sum or interest ; and this will have this effect, that those who are desirous of getting paid most speedily, would be most industrious in getting a re-assignment from the original holder. Suppose we were to fail in that respect, it does not appear to me, that we cannot pay both those who hold them, and also something to them, who, in the early stage, parted with their debts for little or nothing : For the source of revenue opened by us, is only an impost ; and those proposed by the secretary, proceed on the idea of receiving nothing but specie. I am well satisfied that other sources would be opened with perfect convenience ; and throwing into circulation a considerable quantity of the continental paper, it would furnish the easy manner of payment. If for the payment of the foreign debt we receive hard money, it would be all that would be necessary. If to pay the domestic debt we take paper, you would receive large sums paid into a land-office opened upon proper principles : The citizens would be willing to bear a land tax, if to discharge the debt. A tax on carriages, and other sources of revenue, might come in, and to prevent the

misfortune of suffering injustice, or violating the principles of government, the whole of those taxes might be paid in paper, and, in this way, might, perhaps, be paid without much distress to the community.

This being my idea on the subject, I shall vote against the proposition on the table; but if any mode can be brought forward, correspondent to what I have suggested, I shall vote for it. I am in favor of a discrimination, in point of time, but against a destruction of any part of the property.

Mr. MADISON

Said that the opponents of his proposition had imposed on its friends not only a heavy task, by the number of their objections, but a delicate one by the nature of some of them. It had been arraigned as embarrassing measures which ought to be facilitated, and producing discussions which might end in disagreeable consequences. However painful it might be to contradict the wishes of gentlemen whom he respected, he could promise nothing more, in the present case, than his endeavors to disappoint their apprehensions. When his judgment could not yield to the propositions of others, the right to make and support his own was a right which he could never suffer to be contested. In exercising it, he had studied to maintain that moderation and liberality which were due to the greatness of the subject before the committee. He felt pleasure in acknowledging, that the like spirit had, in general, directed the arguments on the other side. Free discussions, thus conducted, were not only favorable to a right decision, but to a cheerful acquiescence of the mistaken opponents of it. They might have the further advantage of recommending the result to the public, by fully explaining the grounds of it. If the pretensions of a numerous and meritorious class of citizens be not well founded, or cannot be complied with, let them see that this is the case; and be soothed, under their disappointment, with the proof that they have not been overlooked by their country.

He would proceed now to review the grounds on which the proposition had been combated; which he should do without either following those who had wandered from the field of fair argument, or avoiding those who had kept within its limits.

It could not have escaped the committee, that the gentlemen to whom he was opposed, had reasoned on this momentous question as on an ordinary case in a court of law;

that they had equally strained all the maxims that could favor the purchasing, or be adverse to the original holder ; and that they had dwelt with equal pleasure on every circumstance which could brighten the pretensions of the former, or discredit those of the latter. He had not himself attempted, nor did he mean to undervalue the pretensions of the actual holders : In stating them, he had even used as strong terms as they themselves could have dictated ; but beyond a certain point he could not go. He must renounce every sentiment which he had hitherto cherished, before his complaisance could admit that America ought to erect the monuments of her gratitude, not to those who saved her liberties, but to those who had enriched themselves in her funds.

All that he wished, was, that the claims of the original holders, not less than those of the actual holders, should be fairly examined and justly decided. They had been invalidated by nothing yet urged. A debt was fairly contracted ; according to justice and good faith, it ought to have been paid in gold or silver ; a piece of paper only was substituted. Was this paper equal in value to gold or silver ? No : It was worth, in the market, which the argument for the purchasing holders makes the criterion, no more than one-eighth or one-seventh of that value. Was this depreciated paper freely accepted ? No : The government offered that or nothing. The relation of the individual to the government, and circumstances of the offer, rendered the acceptance a forced, not a free one. The same degree of constraint would viciate a transaction between man and man, before any court of equity on the face of the earth. There are even cases where consent cannot be pretended ; where the property of the planter or farmer has been taken at the point of the bayonet, and a certificate presented in the same manner. But why did the creditors part with their acknowledgment of the debt ? In some instances, from necessity ; in others, from a well-founded distrust of the public. Whether from the one, or the other, they had been injured ; they had suffered loss, through the default of the debtor ; and the debtor cannot, in justice or honor, take advantage of the default.

Here, then, was a debt acknowledged to have been once due, and which was never discharged ; because the payment was forced and defective : The balance, consequently, is still due, and is of as sacred a nature as the claims of the pur-

chasing holder can be ; and if both are not to be paid in the whole, is equally entitled to payment in part.

He begged gentlemen would not yield too readily to the artificial niceties of forensic reasoning ; that they would consider not the form, but the substance—not the letter, but the equity—not the bark, but the pith of the business. It was a great and an extraordinary case ; it ought to be decided on the great and fundamental principles of justice. He had been animadverted upon, for appealing to the heart as well as the head : He would be bold, nevertheless, to repeat, that, in great and unusual questions of morality, the heart is the best casuist.

It had been said, by a member from Massachusetts, that the proposition was founded on a new principle in congress: If the present congress be meant, that is not strange, for congress itself is new ; if the former congress be meant, it is not true, for the principle is found in an act which had been already cited. After the pay of the army had, during the war, been nominally and legally discharged in depreciated paper, the loss was made up to the sufferers.

It had been said, by a member from New-York, that the case was not parallel, there being no third party like the present holders of certificates. This objection could not be valid. The government paid ten dollars worth, in fact, but one, to a soldier : The soldier was then the original holder. The soldier assigned it to a citizen ; the citizen then became the actual holder. What was the event ? The loss of the original holder was repaired, after the actual holder had been settled with, according to the highest market value of his paper.

He did not mean, however, to decide on the whole merits of this last transaction ; or to contend for a similitude, in all respects, between the two kinds of paper. One material difference was, that the bills of credit, by more frequent transfers, and by dividing the change of value among a greater number of hands, rendered the effect of less consequence to individuals, and less sensible to the public mind. But this difference, whatever force it might give to the claims of the purchasing holder of certificates, could diminish nothing from the claims of the original holders who had assigned them.

It had been said, by another member from Massachusetts, that the old government did every thing in its power. It made requisitions, used exhortations, and in every respect discharged its duty ; but it was to be remembered, that the

debt was not due from the government, but the United States. An attorney, with full powers to form, without the means to fulfil engagements, could never, by his ineffectual, though honest efforts, exonerate his principal.

He had been repeatedly reminded of the address of congress in 1783, which rejected a discrimination between original and purchasing holders. At that period, the certificates to the army, and citizens at large, had not been issued. The transfers were confined to loan-office certificates—were not numerous, and had been, in great part, made with little loss to the original creditor. At present, the transfers extend to a vast proportion of the whole debt, and the loss to the original holders has been immense. The injustice which has taken place has been enormous and flagrant, and makes redress a great national object. This change of circumstances destroys the argument from the act of congress referred to; but if implicit regard is to be paid to the doctrines of that act, any modification of the interest of the debt will be as inadmissible as a modification of the principal.

It had been said, that if the losses of the original creditors are entitled to reparation, congress ought to repair those suffered from paper money—from the ravages of the war, and from the act barring claims not produced within a limited time. As to the paper money, either the case is applicable, or it is not; if not applicable, the argument falls; if applicable, either the depreciated certificates ought to be liquidated by a like scale, as was applied to the depreciated money; or the money, even if the whole mass of it was still in circulation, ought now to be literally redeemed, like the certificates. Leaving the gentleman to make his own choice of these dilemmas, he would only add, himself, that if there were no other difference between the cases, the manifest impossibility of redressing the one, and the practicability of redressing the other, was a sufficient answer to the objection. With respect to the towns burnt, and other devastations of war, it was taught, by the writers on the law of nations, that they were to be numbered among the inevitable calamities of mankind. Still, however, a government owed them every alleviation which it could conveniently afford; but no authority could be found that puts on the same footing with those calamities, such as proceed from a failure to fulfil the direct and express obligations of the public. The just claims barred by the act of limitation, were, in his opinion, clearly entitled to redress. That act

was highly objectionable. The public, which was interested in shortening the term, undertook to decide, that no claim, however just, should be admitted, if not presented within nine months. The act made none of the exceptions usual in such acts, nor even in favor of the most distant parts of the union. In many instances it had been absolutely impossible for the persons injured to know of the regulation. Some of these instances were within his own knowledge. To limit the duration of a law to a period, within which it could not possibly be promulged, and then taking advantage of the impossibility, would be imitating the Roman tyrant, who posted up his edicts so high that they could not be read, and then punished the people for not obeying them.

It has been said, that if the purchased certificates were funded at the rate proposed, they would fall in the market, and the holders be injured. It was pretty certain that the greater part, at least, would be gainers. He believed that the highest market rate, especially with the arrears of interest incorporated, well funded at 6 per cent. would prevent every loss that could justify complaint.

But foreigners had become purchasers, and ought to be particularly respected. Foreigners, he remarked, had themselves made a difference between the value of the foreign and domestic debt; they would, therefore, the less complain of a difference made by the government there. It was his opinion, that the terms stated in the proposition, would yield a greater profit to the foreign purchasers, than they could have got for their money, if advanced by them in any of the funds of Europe.

The proposition had been charged with robbing one set of men to pay another. If there were robbery in the case, it had been committed on the original creditors. But, to speak more accurately, as well as more moderately, the proposition would do no more than withhold a part from each or two creditors, where both were not to be paid the whole.

A member from New-York, had asked, whether an original creditor, who had assigned his certificate, could, in conscience, accept a reimbursement in the manner proposed? He would not deny that assignments might have been made with such explanations, or under such circumstances, as would have that effect: But, in general, the assignments had been made with reference merely to the market value, and the uncertainty of the steps that might be taken by the

government. The bulk of the creditors had assigned under circumstances from which no scruple could arise. In all cases where a scruple existed, the benefit of the provision might be renounced. He would, in turn, ask the gentleman, whether there was not more room to apprehend that the present holder, who had got his certificate of a distressed and meritorious fellow-citizen, for one-eighth, or one-tenth of its ultimate value, might not feel some remorse in retaining so unconscionable an advantage?

Similar propositions, it was said, had been made and rejected in the state legislatures. This was not fact. The propositions made in the state legislatures, were not intended to do justice to the injured, but to seize a profit to the public.

But no petitions for redress had come from the sufferers. Was merit then to be the less regarded, because it was modest? Perhaps, however, another explanation ought to be given. Many of the sufferers were poor and uninformed. Those of another description were so dispersed, that their interests and efforts could not be brought forward. The case of the purchasing holders was very different.

The constitutionality of the proposition had been drawn into question. He asked whether words could be devised that would place the new government more precisely in the same relation to the real creditors with the old? The power was the same; the object was the same: The means only were varied.

An objection had been drawn from the article prohibiting *ex post facto* laws. But as *ex post facto* laws relate to criminal, not civil cases, the constitution itself requires this definition, by adding to a like restriction on the states, an express one against retrospective laws of a civil nature.

It had been said that foreigners had been led to purchase, by their faith in the article of the constitution, relating to the public debts. He would answer this objection by a single fact: Foreigners had shewn, by the market price in Europe, that they trusted the nature of foreign debt more under the old government, than the nature of the domestic debt under the new government.

Objections to the measure had been drawn from its supposed tendency to impede public credit. He thought

it, on the contrary, perfectly consistent with the establishment of public credit. It was in vain to say, that government ought never to revise measures once decided. Great caution on this head ought, no doubt, to be observed: But there were situations in which, without some legislative interposition, the first principles of justice, and the very ends of civil society, would be frustrated. The gentlemen themselves had been compelled to make exceptions to the general doctrine: They would probably make more before the business was at an end.

It had been urged, that if government should interpose in the present case, as interposition would be authorised in any case whatever, where the stock might fluctuate, the principle would apply as well to a fall of 60 or 70 per cent. as to a fall of 600 or 700 per cent. He could not admit this inference. A distinction was essential between an extreme case and a case short of it. The line was difficult to be drawn; but it was no more incumbent on him, than on his opponents, to draw it.--- They themselves could not deny that a certain extremity of the evil would have justified the interposition. Suppose that the distress of the alienating creditors had been ten times as great as it was; that instead of 2, 3 or 4s. in the pound, they had received a farthing only in the pound; and that the certificates lay now in the hands of the purchasers in that state, or even at a less value, was there a member who would rise up and say, that the purchasers ought to be paid the entire nominal sum, and the original sufferer be entitled to no indemnification whatever?

Gentlemen had triumphed in the want of a precedent to the measure. No government, it was said, had interposed to redress fluctuations in its public paper. But where was the government that had funded its debts under the circumstances of the American debt? If no government had done so, there could be no precedent either for or against the measure, because the occasion itself was unprecedented. And if no similar occasion had before existed in any country, the precedent to be set would at least be harmless, because no similar occasion would be likely to happen in this.

If gentlemen persisted, however, in demanding precedents, he was happy in being able to gratify them with

two, which, though not exactly parallel, were, on that account, of the greater force, since the interpositions of government had taken place where the emergency could less require them.

The first was the case of the Canada bills. During the war, which ended in 1763, and which was attended with a revolution of the government in Canada, the supplies obtained for the French army in that province, were paid for in bills of exchange and certificates. This paper depreciated, and was bought up chiefly by British merchants. The sum and the depreciation were so considerable, as to become a subject of negotiation between France and Great-Britain at the peace. The negotiations produced a particular article, by which it was agreed by France, that the paper ought to be redeemed, and admitted by Great-Britain, that it should be redeemed at a liquidated value. In the year 1766 this article was, accordingly carried into effect, by ministers from the two courts, which reduced the paper in the hands of the British holders, in some instances, as much as 75 per cent. below its nominal value. It was stated, indeed, by the reporter of the case, that the holders of the paper had themselves concurred in the liquidation; but it was not probable that the concurrence was voluntary. If it was voluntary, it shews that they themselves were sensible of the equity of the sacrifice.

The other case was of still greater weight, as it had no relation to war or treaty, and took place in the nation, which has been held up as a model with respect to public credit. In the year 1713, the civil list of Great-Britain had fallen into arrears to the amount of 500,000*l.* The creditors who had furnished supplies to the government had, instead of money, received debentures only from the respective officers. These had depreciated.--- In that state, they were assigned in some instances; in others, covenanted to be assigned. When the parliament appropriated funds for satisfying these arrears, they inserted an express provision in the act, that the creditors who had been obliged, by the default of government, to dispose of their paper at a loss, might redeem it from the assignees, by repaying the actual price, with an interest of six per cent. and that all agreements and covenants to assign, should be absolutely void. Here then was an interposition on the very principle, that a go-

vernment ought to redress the wrongs sustained by its default, and on an occasion trivial when compared with that under consideration; yet it does not appear that the public credit of the nation was injured by it.

The best source of confidence in government was the apparent honesty of its views. The proposition could not possibly be ascribed to any other motive than this, because the public was not to gain a farthing by it. The next source was an experienced punctuality in the payments due from the government. For this support to public credit, he relied on what had been experienced by a part of the foreign creditors; on the provision to be made for the residue; and on the punctuality which, he flattered himself, would be observed in all future payments of the domestic creditors. He was more apprehensive of injury to public credit from such modifications of the interest of the public debt, as some gentlemen seemed to have in view. In these the public would be the gainer, and the plea of inability the more alarming; because it was so easy to be set up, so difficult to be disproved, and, consequently, for which the temptations would be so alluring.

The impracticability of the measure was the remaining ground on which it had been attacked. He did not deny that it would be attended with difficulties, and that perfect justice would not be done: But these were not the questions. It was sufficient that a grievous injustice would be lessened, and that the difficulties might be surmounted. What he had in view was, that for the convenience of claimants, some authority should be provided, and properly distributed through the union, in order to investigate and ascertain the claims; and that, for the security of the public, the burden of proof should be thrown on the claimants. A scrutiny on this plan, aided by original settlements in the books of the army department, and the state commissioners, and other office documents, would be a remedy, at once, for all the difficulties stated with regard to fictitious names, certificates issued as money by commissaries and quarter-masters, due bills, &c.

For some particular cases special provisions might be requisite. The case of loan-office certificates, alienated at early periods, before they were much depreciated, fell under this description. Legacies might be another---

He would have no objection to some special regulation, as to the payments of debts in certificates to persons within the British lines, said to have been authorised by the laws of New-York; though he presumed few such payments had been made, and that of this few the greater part had, by this time, passed from the creditors into other hands. There might be a few other cases equally entitled to some particular attention in the details of the provision. As to the merchants who had compounded for their debts in certificates, or persons who had exchanged bonds for them, it could not be doubted that the transactions had reference to the market value of the paper, and therefore had nothing peculiar in them.

The expence incident to such a plan of investigation, ought to form no difficulty. It bears no proportion to the expence already incurred by commissioners, &c. for effecting a less proportion of justice. Rather than justice should not be done, the expence might be taken out of the portion to the original sufferers.

The danger of frauds and perjuries had been worked up into a formidable objection. If these had always been equally alarming, no provision could have ever been made for the settlement or discharge of public debts. He reminded the committee of the frauds and perjuries for which a door had been opened by the final settlements, &c. of the frauds and perjuries inseparable from the collection of imposts and excises: Yet these were all submitted to as necessary evils, because justice could not be done without them. The frauds and perjuries incident to this supplementary provision for justice, must be very inconsiderable in number; and still more so, when compared either with the object to be attained, or with the like evils already encountered in pursuit of a like object.

Great ingenuity and information had been exerted, by gentlemen on the other side, in raising difficulties: He was sure that, after an adoption of the proposition, the same exertion would be used in removing them, and with such aid, the idea of impracticability would vanish.

MR. BENSON.

I flattered myself, some gentlemen would have answered the question I stated, when I was last up, on this subject; but as it is not done, I beg leave to repeat it; and as I understood the honorable gentleman from Ge-

orgia, had put the answer upon the gentleman from Virginia, I submit it to him. Suppose I had purchased a certificate of 100 dollars of him, which, when I go to fund, I find but the half allowed me, the other 50 dollars are retained in the treasury for him : Now, I ask, whether, if I was to state to him the fact, he would take advantage of the law against me, and refuse to give me authority to take it up in his name ? I do not wish to present this question in an undelicate manner : What I said before, say still, it is one on which I would not suffer my mind to deliberate, lest my passions should get the better of my reason ; it is a plain question and I admit but the simple answer of yes, or no.

Mr. MADISON.

I thought I had answered this question, in some degree, when I was up before : I said it should depend on the circumstances of the transaction between the two individuals. If by the contract it was agreed, or the idea particularly understood, was, that the assignee should be entitled to all advantages whatsoever, which the discretion of the government should afterwards grant, then I believe the individual transferring, would be restrained by a necessary scruple ; but if the certificate had passed from hand to hand, both parties knowing the uncertainty, as to what steps the government would pursue, I do not see that the most tender conscience need be restrained from taking the benefit of what the government should afterwards determine. But it was to be remembered, that a greater part of the transfers had been made, under circumstances that left us room to suppose, that original creditors were restrained from accepting an equitable compensation of their cases.

How would the observation apply to the case of the old depreciated money paid to the army ? Suppose a soldier had paid away the money received by him, or assigned his arrears of pay, would the assignee be in equity entitled to the benefit of the act, for making up the depreciation ? Or was it ever understood that the soldier was bound in conscience to renounce the benefit in favor of the assignee ?

I would beg leave now, in turn, to ask the gentleman a question : Suppose he had been one of those who resorted to our army at the time it was disbanded, and had found a soldier, one of that band, who had established the liberties of

his country, and had heard the declaration of his beloved commander, "That his country would finally do him ample justice," turned loose, not with the payment in gold or silver solemnly stipulated, but with a piece of paper, such as was substituted? And suppose that the gentleman had obtained, from the necessities of the soldier, the evidence of his claim, at a tenth of its value; and had either received from the interposition of his state, the payment of 60 per cent. on his advance, or was now to have that interest with the principal, or even half the principal funded, I ask whether the delicacy of the gentleman would not be shocked at the reflection that this exorbitant accumulation of gain was made at the expence of the most meritorious part of the community, and whether his conscience could refuse a participation of it to the sufferer?

Mr. BENSON

Had no hesitation to say, that if the soldier made the application, as a matter of right, he should reply, no, sir; I am, in justice, entitled to the whole sum. But if he did not put his claim on the footing of the contract, but merely addressed his benevolence, he would take his circumstances into consideration, and what he would then do depended on other principles than if it was a claim of right.

Mr. LEE

Thought the questions proposed by the gentleman from New-York, were highly improper and inadmissible in that house; that we were not assembled as individuals, but in a national character. It was our duty to do the best for the general welfare, and that no member had a right, in any manner, to insinuate that any gentleman, in that house, was governed, in his political conduct, by motives which, as an individual, he would condemn. He said that he should not have risen, probably, at all on the present question, if he had not felt his indignation roused by the language of the gentleman from New-York; but, having been thus brought on the floor, though he was very sensible of his own incompetency to the task, he would, under all the influence of delicacy and diffidence, take the liberty of expressing his ideas in a few words.

The gentlemen, he said, who had argued against the proposition of his colleague, seem to have resorted to those rules which are found necessary to regulate the intercourse between man and man in civil society, without regarding the great law of political associations, which had for its object the safety and happiness of every individual in the com-

munity. The end of government was certainly to accommodate all, and not to aggrandize a few ; and every class of citizens ought to be regarded in the distribution of national justice. And nothing is more common in the history of the most virtuous and renowned republics, when brought into calamitous circumstances, than to see this great law superceding the forms established to regulate civil intercourse. Without such exercises of power, justice could not have been done, nor the nation preserved. And, in such a situation, no wise people will ever be bound by the ordinary maxims of government ; so that he had no doubt of the right of the government to interfere on the present occasion.

He also thought, that in all the deliberations of the house, the nature of our government should be attended to. It was the government of the people, and nothing like a coercive principle was to be found in it : In order, therefore, to render the administration of it salutary and honorable, our measures should be calculated to meet the popular approbation. Paying taxes was a serious thing ; and to induce a free people to pay taxes, they must be convinced of the necessity and equity of them. And if the proposition on the table was calculated to reconcile the public mind to the requisite degree of taxation, every class of the public creditors would, probably, be finally benefited by its adoption. If, on the contrary, our measures should appear irreconcilable to the popular idea of equity and right, is it probable that they would meet with that hearty support, from the community, which, under our government, is essential to a prosperous administration of it. The general opinion of the people should have its due weight in all our deliberations ; and he believed, that the calm and unbiassed expression of the public mind, would be always found the best index of that which was just and politic. For his own part, he declared, that he had always been convinced of the equity of such an arrangement as that proposed by his colleague ; but that he had considerable doubts with regard to the practicability of such a plan, which were not yet altogether removed. But this appeared to him by no means a sufficient reason to prevent us from recognizing the principle. This would be a declaration to the world, and to our constituents, that we did not disregard the great principles of natural equity : And if hereafter, on further investigation, the plan should

be found impracticable, this would be a sufficient justification to us for relinquishing it.

He concluded with observing, that he had been unexpectedly induced to appear on the floor, and had hastily expressed ideas which were the ebullitions of the moment; and hoped, that in future, the debate would be conducted without intimating, in the most remote degree, that any gentleman was influenced by unworthy motives. For his own part, when he entered the house, he considered himself as entering into a sanctuary; and that every motive or passion, which had not for its object the public good, should be left behind. He did not doubt that every gentleman took his seat here with similar impressions; and expressed a hope, that the final result of their deliberations would be that which would contribute most to the national honor and advantage.

Mr. SCOTT.

Inasmuch as he had expressed his sentiments, generally, on the subject now under consideration, when it bore a shape somewhat different from the present, and considering that, perhaps, he might be induced to vote in a manner that would not be understood without an explanation, he requested the indulgence of the committee, whilst he attempted to offer his sentiments freely upon the business immediately under their notice.

The arguments of the gentlemen in opposition to the present motion, when taken altogether, seem to rest their whole force upon the idea of a contract said to be made, and of which contract the papers in question are said to be evidences. This is a doctrine which he absolutely denied. If those papers are evidences of any thing, it is of the pre-existing contract broken. At what period, sir, said he, did congress contract with their soldiers? At what period did they contract with their citizens, who furnished the necessary supplies for our army? Was it at the time those papers were issued or long before? It was long before: Consequently those papers cannot be esteemed as possible evidences of any contract, unless we refer to an implied contract made when they were issued, at the conclusion of the war; which, in fact, was the last conceivable period for the settlement of such engagements as had existed long before, and to fulfil which, was totally out of the power

of congress. Surely, then, it must be allowed, since it was not in their power to fulfil the original engagements, and since it was not in the power of interested individuals to compel them to compliance—that *the contract was completely annihilated*, and congress was reduced to the necessity of offering some consideration in lieu thereof. What did they offer? Paper of the *nominal* value of 20*s*. but of no more *real* value than two shillings and six-pence.

The original creditor, in consideration of the distress of his country, and from dire necessity, accepted of this; and would, with equal generosity, have accepted of the 2*s*6 in cash, and have signed an acquittance for his pay, as freely as he signed over that paper for 2*s*6 in cash, to the speculator. Now, if it be urged by gentlemen, that this transaction implies a contract, it may be confessed the papers in question are evidences of such implied contract, but of the real existence whereof there is no proof.

He would also aver, that if we are to be governed by this implied contract, the real value of the paper in question is at once fixed by the market price, then current, at 2*s*6 in the pound: The residue is the last grand sacrifice which the original creditors, as well citizens as soldiers, made to their beloved country. Thence it is evident there was no original consent of parties obtained; and hence no original contract existed. This, said he, is fair reasoning, it is no fine spun logic; but it is arguing from the truth, and the eternal nature and fitness of things.

But those papers, it has been said, are not only evidences of a contract, but since they are payable to A. B. or bearer, the bearer is an original contractor! Where will this argument lead us? A robber on the highway, a private thief, a fraudulent purchaser, without consideration, if this argument be admitted, may all, or severally, become bearers? Are they severally original contractors? Surely no gentlemen will pretend to say that they are. Neither is it possible to detect those frauds, if what has been said is true; that many of those certificates were taken out originally in fictitious names. Suppose one of them has got into the hands of the robber, the burglar, or thief; how will that man who never existed, appear in court and convict him of the fraud? From

these premises, I shall infer, that as this was a case without remedy, the bare possession of a certificate is not a sufficient evidence to prove the holder was an original contractor.

At an early stage of this business, the gentlemen in opposition to the amendment, appeared to lay great stress on the want of authority in congress to intermeddle in such cases: But as we get forward, the gentlemen appear to give up---they have been beaten off that ground; and the impolicy and impracticability of the measure is principally urged. Yesterday, however, these same gentlemen abandoned the latter, and resumed the former station with great eagerness.

We are likewise told, that although in the parliament of Great-Britain, which is omnipotent, they can do any thing; yet we, being a legislative body, whose authority is constitutionally confined to certain objects, cannot make the proposed discrimination.

Let us make some enquiry into this. Is not the whole business before us of such a nature, that without our interference it must remain eternally as it is? This, it may be presumed, will be granted on all hands. What follows? That as it is a proper subject of legislative discretion, the legislature must, of necessity, and from the nature of the thing, possess all powers necessary to doing what is right and just in the premises; and consequently we have the power of discriminating, if justice and right demand it. The argument, therefore, which the gentlemen have adopted on this subject, as well as many others to which they have occasionally resorted, must appear to the committee as perfectly inconsistent and futile.

It may be necessary, however, to advert to one or two other examples of the same complexion.

We are told, "that the advocates of the proposed amendment are acting officiously; no complaints having been laid before the house; no petitions; no parties contending before us; therefore, say they, we have nothing to do with it; the question is not legally before the court, &c." This is, in a similar phrase, "There is no writ sued out, no bill filed, no issue joined between parties."

In answer to this argument, it is necessary only to observe, that every complaint of the people, by virtue of

the representative capacity of their members, is properly, and to all intents and purposes, before the house.

But we are farther told, "that no facts have been proved; we have no evidence, therefore we cannot proceed." He granted that no witnesses had appeared to make evidence, no swearing in court; but will it follow from thence, that we are not possessed of the facts? He presumed not. If the facts are within our knowledge, we are in as full possession of them as if they had been sworn to; and for many other facts, necessary to the investigation of this business, we can resort to our public records. Moreover, there is little use of evidence, other than to inform and convince the minds of the judges.--- As to the truth or fallacy of the objection, how that information and conviction happens, it is very indifferent, especially in a legislative body. In a word, the arguments to be contended with, appear to move in so small and contracted a sphere, as never to extend beyond the pleadings at the bar of a county court; and consequently were very unworthy the attention of the great American court of equity.

He now remarked that, from these observations, it might be supposed he would vote for the proposed amendment; but he said he believed he would not: Not on account of the demerit of the proposition, or the merit of the arguments which had been used against it. There were other considerations which existed, that were not only unprovided for in the amendment, but it seemed to him as if they were barred therefrom.

One of these which came immediately within his own knowledge, and which must be likewise within the knowledge of many gentlemen in this house, one of whom had already mentioned it, is this---our quarter-masters, purchasers, contractors, &c. or some of them, have been sent out amongst our citizens to procure supplies, without a shilling in their pockets: They have bought, on trust, from individuals; afterwards, those individuals have been prevailed upon (without payment being made) to give receipts, as if they had been actually paid, on a pretext that the accounts of the purchaser could not be settled, nor money obtained to pay them, without those previous acquittances. Where this business originated he knew not, but he vouched for

the facts in a great number of instances to have come within his knowledge. The consequence appears to be, that those purchasers, on producing the receipts, have obtained certificates for the aggregate sum in their own names, as if for supplies by them furnished, and have made no satisfaction to the individuals.

Now, with respect to this species of paper, thus procured by fraud, and issued without consideration given by the persons to whom issued, he said he could not consent to fund. Nay, he would sooner part with his right hand than consent to fund certificates thus circumstanced, and thereby subject those very individuals thus robbed of their property, to contribute towards paying the price of that very property into the pockets of their robbers.

Shall it here be said, "the courts are open, and the individuals may there be redressed?" Poor alternative indeed! Were I, said he, to stand up on this floor and hold forth such doctrine as this, "that the courts are open; that the constitution contemplates the United States as a body that may sue and be sued, and points out certain proceedings which shall be had when the United States become a party; and that therefore every holder of a certificate has the recovery of the money in his power, on application to the courts; and should I conclude that congress has nothing to do with the present business?" Pray, what should I merit by such pleading? I doubt whether I should merit pity; contempt I might be certain of receiving.

Suffer me to ask, if the evil I have mentioned be not too general in its nature to admit of any remedy, but by a legislative interposition? May not many of those contractors be in a state of bankruptcy? May not some of them have travelled to the Spanish main to govern colonies? May not some of them have returned to their usual places of abode, at many hundred miles distance from the defrauded individuals, as aforesaid? And can it be supposed, that the widow and the fatherless, the poor and the needy, by them thus defrauded, perhaps of a bullock, or some bushels of wheat, individually, but in the whole, amounting to an enormous sum, can follow them to obtain justice? How are these plunderers to be pursued? And how can any thing be recovered from them in a common court of law? Especially when we consider that, to all the difficulties already mentioned, must be added, that the

very receipts, under their own hands, would be exhibited as evidence against the injured, honest, original creditor !

Is not this case, so often to be met with as it is, beyond remedy, unless by the interposition of congress ? Now, as this case is not only unprovided for, in the amendment proposed by the worthy gentleman from Virginia, but the door seems to be shut against a future provision ; and, considering that the same gentleman, or some other, may bring forward something that may strike at the root of the evil, and produce more effectual justice. Under these considerations, said Mr. Scott, I shall, at present, vote against the proposition ; but if I am disappointed in my expectation, and that gentleman shall bring his proposition again forward in the house, I shall not suppose myself debarred from voting with him.

Mr. SENEY

Rose, and observed, that it was with reluctance he attempted to express to the committee, his ideas upon a question which had been so fully and ably discussed. However, as it had been expected that gentlemen would not, in a case of such magnitude, be content with merely a silent vote, he rose to declare the reasons upon which his decision was founded : In doing this, he hoped that he should not use epithets which might be deemed harsh, or language which would be offensive ; that although the sentiments of other members should differ from his, he wished so far to respect those sentiments as to treat them with decency.

He considered the proposition of the gentleman from Virginia (Mr. Madison) was designed to effect two purposes.

The one, a compensation to the original creditors, who, during the late war, in times of distress, had loaned money, furnished supplies, and rendered military services ; and who had only received satisfaction therefor in paper of inconsiderable value, forced on them by the public, and depreciated by their acts. This class of citizens, he conceived, had a just and equitable claim for the full difference in value between that paper, when paid, and specie.

The other object of the proposition alluded to, was, he said, to compensate those creditors who now hold alienated certificates.

Each description of those creditors had, in his opinion, claims on the public. The first was founded on an original contract between them and the government, part of which only had been complied with, and the residue still remained

undischarged : The other was grounded on having possession of the paper which contained the promise to pay.

It hath been contended, said he, that the United States have not ability to pay both. In this case a question arises, What is, upon the whole, most just and expedient ? Some gentlemen contend, that it is incumbent on us to make full provision for those who hold the assigned certificates, without any for the original creditors who have alienated them. Others think, that the misfortune of government, in this respect, should not be felt by either class solely, but be borne by both : That it is more just to adopt a mode of composition, by which those creditors should mutually share in this misfortune, and be mutually benefited by a provision within our power to make ; with those his sentiments accorded. He could not be impressed with the justice or reason of a measure calculated to make a total sacrifice of one class of creditors, and full payment to the other class. Such a step could not, in his opinion, be justified in any distinction or precedence which existed in their claims. When it was considered that the original creditors furnished money and supplies, and rendered services essential to the preservation of their country, and at a time when its liberties were invaded, and every thing which can be dear to freemen was in jeopardy, and at stake, he could not apprehend that their claims would be deemed inferior to those of their rivals. In his opinion, these circumstances intitled them to superior notice. Believing, however, that the amendment under consideration, would, upon the whole, effect more substantial justice than any other practicable scheme that had been proposed to the committee, or which he had heard of, his assent would, therefore, be given to it.

He then noticed a variety of objections which had, in the course of debate, been urged against the amendment he supported. Gentlemen, he said, had insisted, that although the principle of it might be right and proper, yet the execution of the scheme was altogether impracticable. They had also contended, that the adoption of such a proposition would be a violation of those rules which, as to contracts, ought to be held sacred, and also of the constitution under which the government was then acting ; that it would be disapproved of, even by the persons for whose benefit the provision was intended.

He observed, that those who admitted the propriety of the measure, as to principle, could not be justified in their opposition upon the ground of impracticability : That the

honorable mover of the amendment had, in the course of yesterday's debate, suggested expedients which would, in his opinion, remove the greater part of the objections which ingenuity had urged in that respect : That some particular cases, perhaps, might exist, for which special provision would be requisite. However, as that gentleman had declared his belief in the practicability of the system, such, he said, was his confidence in the sincerity and abilities of the person who made the declaration, that he was not disposed to believe the reverse without giving an opportunity of proof, or until some trial was made. It had been also observed, said he, that the proposed project is violative of the rules which, in contracts, should ever be preserved ; but how, he asked, could gentlemen reconcile this objection to the plan which they advocated ? Would it not operate with equal force to condemn that, as well as every other, which had been contemplated ? The argument, by proving too much, ought, therefore, to have no influence upon the question. It had also, he said, been mentioned, that the plan in controversy was a violation of the constitution, which every member had taken an oath to support. This observation, he remarked, might be made *in terrorem*, but could have little weight if the words of the constitution, in this respect, were attended to ; these are, "all debts contracted, and engagements entered into, before the adoption of the constitution, shall be as valid against the United States, under this constitution, as under the confederation :—" That the words debts and engagements, here expressed, would comprehend as well the residue still due to the officers, soldiers, and other original creditors, as the claims of the present holders of alienated certificates ; and that if the constitution created any obligation concerning debts, it had equal force with respect to every description of creditors. But he apprehended that the constitution did not, by the words expressed, place any debts alluded to in a situation different from that in which they were previous to its adoption.

Great stress, said he, had been laid upon the practice of other nations. It had been frequently asserted, that the measure proposed was without a precedent in any country : It had been repeatedly recommended to us to imitate the British parliament, as to measures touching public credit.

We however find, said he, a case was cited yesterday, by an honorable member from Virginia (mr. Madison) in which they made a provision as to debtors, similar to the one now

under consideration. If precedent is, therefore, to influence, we have one from the nation whose public faith has been above all others extolled. But it had been observed by an honorable member from New-York (mr. Lawrance) that the precedent then cited was not applicable, because, said the gentleman, the British parliament and congress are bodies very different as to power; the former is omnipotent and unlimited as to objects of legislation; the latter is not so, but restricted and confined by the constitution which controls their power; that the British parliament can therefore do many acts consistent with their powers, which congress cannot. This observation, said he, does by no means diminish the force of the precedent; because, although congress possess not power, as to all objects of legislation, so extensive as the British parliament, yet, as to objects within their power, they were as much omnipotent as that parliament. It will not, he conceived, be denied, but that a provision, respecting public credit, was one of those objects; with regard, therefore, to the subject under debate, there can be no difference between the two bodies as to omnipotence.

It had been remarked, he said, by another member from New-York (mr. Benson) that the adoption of the amendment would be improper, because it was unsolicited by those whom it was designed to benefit; and because there was reason to believe it would meet with their disapprobation.

The gentleman, he said, had informed us of a resolve of the Cincinnati of this state, disavowing the plan, and cited their proceedings as evidence to prove this disapprobation. In reply to this, he would not then enquire how proper it would be for the committee, in their decision, to be influenced by any act of the Cincinnati, or other society, but believed, if the history of the proceeding alluded to was fully known, nothing could be inferred from it to effect that gentleman's purpose. That he had, since the publication of their resolve, been informed, that the meeting of the society, at the time it passed, was not a full one; that such a resolve was unexpected, by many, until proposed; and that it passed without debate, and, as it were, *sub silentio*; that he had since been informed, that several of the body disapproved of the resolve, and believed, that if a full meeting was had, a different determination would be the result. He had conceived that the worthy members composing that body, had too much experience of their own sufferings to be opposed

to a provision in favor of those creditors for whom the compensation was intended, and could not think that such a provision would be disapproved of by a society of the kind in any of the states.

It had, upon this occasion, been asserted, said he, that public opinion should have little influence on the conduct of legislatures. But, notwithstanding the plausible reasoning he had heard, upon that head, he was satisfied a regard was due, and must be had, to the opinions of the people, and to their feelings. Government, he said, was formed for their benefit ; under the present constitution, all the powers of it flow from them as the source ; they have the means of carrying into execution their will ; and under those circumstances he could not believe the legislature ought to be indifferent as to their sentiments.

Gentlemen, he said, had founded their opposition to the amendment principally upon the rigid rules strictly adhered to in the courts of common law ; rules which had often been the means of stifling justice, to correct the rigor of which legislatures had often interposed. Such rules could not be better fetters for the supreme power of government. The history of nations prove that legislatures are superiors to them ; their objects are extensive ; and in all extraordinary cases they will make such provisions as may be requisite to effect general justice and equity. The case under consideration was certainly one of an extraordinary kind. He could not think that those, whose exertions had rescued them and us from despotism and slavery, were ever honestly paid those hard-earned claims they were so justly entitled to ; and could not but believe, that as long as those claims existed, so long there would exist a stigma on the justice, humanity, and gratitude of this country.

Mr. GERRY

Observed, that it was with great concern he should express his sentiments on a subject so important in its consequences ; that after mature deliberation he had formed an opinion ; and that, should arguments hereafter preponderate it, he should think it consistent not only with honesty, but with honor, to alter that opinion, and freely declare it.

The amendment, he said, proposed by the gentleman from Virginia, differed from the proposition before the committee in other points, besides that of discrimination ; and he proposed, as an amendment to the amendment, to strike out all that related to this question, that the sense of the committee may be fairly ascertained, " Whether there shall be

a discrimination between the original and assigned holders of public securities."

He stated, that the foundation of the motion for a discrimination, was the heavy losses sustained by our brave and veteran soldiers, in the sale of their public securities. Little or nothing, he said, had been urged in favor of meritorious officers, and of citizens who, by the loan of their property, had contributed to the support of the war, and much less of assignees; although he could see no reason why equal justice should not be done to these two classes of original creditors. To form a judgment, then, said he, of the foundation of the motion for a discrimination, let us advert to the history of the army, and we shall find that their first enlistments expired at the end of 1775; that the commander in chief, not being able to re-enlist the soldiers, was reduced almost to the necessity of abandoning the extensive lines in the vicinity of Boston; that notwithstanding this, such were the prejudices in favor of short enlistments, and such the dread of a standing army, that congress were obliged to enlist the second army for one year, and their times of service expired at or about the end of 1776. During that campaign, congress were so fully convinced of the fatal consequences of such policy, as, at all events, to determine that the next enlistment should be for the war; but they were afterwards constrained to provide the alternative, or for three years; and those who enlisted for this term, left the army in 1780. We shall also find that, in 1780, the army was greatly reduced, and the states earnestly called on to recruit their respective regiments; but such were the prospects of gain, from privateering and other measures—such had been the sufferings of the army, and so little was the confidence in public faith, as to require enormous bounties in specie, and the mode of classing, for obtaining recruits; the average of bounty, in many states, was 250 dollars, in specie; and in Massachusetts, upwards of 280. Thus, then, if we divide the army into four classes, it will appear, that the soldiers of the first and second classes were discharged and fully paid, in 1775 and 1776; that the soldiers of the third class, who enlisted for the war, between 1777 and 1780, served six, five, or four years, without any other prospect of reward than the stipulations of congress; and that the fourth class, served two and an half years, others two years, and others one, were amply paid by bounties, the least of which amounted to 100 dollars a year, or 82 & 1-2 dollars a month, in specie, ex-

clusive of the allowance made by congress. The third and fourth classes were, however, entitled, by their contract, to 63 & 2-3 dollars, in specie, per month, or to an equivalent, exclusive of bounties, rations, and cloathing; and how has the contract been fulfilled?

He then referred to a memorial of the officers and soldiers of the army, stating their grievances to congress, in April, 1783; and likewise a resolve of congress of July, in the same year, for liquidating the accounts of the army, and for issuing certificates which would then produce but 2/6 in the pound, for the balance due to each officer and soldier.

He then asked, is this a fulfilment of the contract? Was ever such a brave army, was ever an army so paid before? If, then, the contract has not been fulfilled, ought not the party, failing to do this, to indemnify the party who have sustained damages? Justice may be in favor of the fourth class; but justice, generosity, and humanity, plead loudly for the third class, the amount of whose demands will not exceed 2,000,000 dollars.

The question then is, Who ought, in justice, to make good these losses of the soldiery? Some gentlemen say, those who purchased their certificates: On what principle? From their having received them without an equivalent.—Let us attend to the nature of the contract of the soldiers with the assignees; for it differs widely from that with congress. Some gentlemen consider it in the nature of a specialty or bond, and have carried us to courts of law, to prove, that whatever has been paid short of the nominal value of the certificates, is now due from the assignees. This mode of reasoning is inadmissible, because particular decisions of law courts cannot apply to great national questions; and the legislature is authorized to regulate such courts, and is not to be regulated by them: But if admissible, is the transfer of a soldier's certificate in the nature of an assigned specialty? For, if not, arguments on this principle will fall to the ground, and we shall be again freed from courts of law.

He undertook to show what a bond was, according to the law definition of it, and that a certificate differed from it; as in the latter there was no condition of performance, or seal, and in the transfer no indorsement is necessary.—The title, he said, of an assignee to a certificate was by a sale, which is, “a transmutation of property from one man to another, in consideration of some value or recompence.”

He further observed, that the public securities of the

United States, are a species of stock and property, similar to merchandize ; they are sold in open market, and at the market price, which is always an equivalent ; for the market price of stock, he said, was regulated by the public opinion, and depended, in a great measure, on the circumstances of the nation, and on events : It had always been subject to great variations, and ever would be whilst communities are subject to calamities ; and this is a quality inseparable from that species of property. To illustrate his argument, he stated two cases, the latter of which is as follows : Suppose that the public debt was funded, and the stock at par ; that a combination of European powers had been secretly formed to subdue us ; that a fleet, with a formidable army, had suddenly appeared on our coast, and that the enemy had landed before arrangements could be made to resist them, and had over-run half the country, would not stock, under such circumstances, be reduced in value ? If a stockholder should insure his property in the funds, would not the policy be as valid against such an enemy, as any other policy in time of war ?

Let us suppose that this calamity had raised the premiums to 80 per cent. and the stockholder had agreed to allow it, would not the insurer be justly entitled to it for taking the risk ? But if the stockholder, instead of giving the premium, had made sale of his property at 80 per cent. discount, being one-fifth of its former value, would not that fifth be an equivalent, and the sale valid ? Where is the difference, except merely the mode of negotiating, between insuring his property at 80 per cent. premium, and selling it at 80 per cent. discount ? Or, where is the injustice of the measure in either case ? But should the enemy be expelled, and stock again at par, can the original stockholder, in justice, demand any part of the 80 per cent. premium, or of the 80 per cent. discount, on a pretence that he has not received an equivalent ? If the whole had been lost, would he have returned the 20 per cent. which he received of the insurer or purchaser ? Surely not : And it must be evident, that although the nominal was the real value of stock before the appearance and after the repulse of the enemy, yet that the value was reduced by the danger of conquest, and that the market price, at that period, was an equivalent.

Several cases have been cited as precedents for discriminating ; that which relates to the reduction of the Canada bills, mentioned by the gentleman from Virginia (Mr. Ma-

dison) was, by his own acknowledgment, not applicable. The case referred to in the act of queen Anne, cited by the gentleman, was not analogous; for, independent of other considerations, the debt contracted by the queen, for the support of her household, was unliquidated; and by a vote of the house of commons, had been disallowed. Had the debt been liquidated, and certificates of it issued, as in the case of our soldiers, there would have been no interference of parliament in the subsequent transfer of such certificates, as their whole conduct evinces.

Gentlemen, in favor of discrimination, have also mentioned the South-Sea and Mississippi schemes. The gentleman from New-Jersey, (mr. Boudinot) had clearly shewn that the conduct of parliament in the South-Sea scheme, was directly against discrimination; for although they imprisoned the directors and others, and confiscated their property, yet they never interposed in the transfers of stock by other proprietors, although it was bought and sold from par to 13 or 1400 per cent.

The history of the Mississippi scheme, I propose not to state fully; but to mention a few particulars. In the year 1717, the government of France were deeply indebted, and had issued state bills to the amount of several hundred millions of livres; they were sold at 60 or 70 per cent. discount, and the regent of France, desirous of appreciating them, established a commercial company, with the exclusive privilege of trading to the Mississippi, to consist of such as would subscribe 60 million, payable in state bills at par; at first there were few disposed to be concerned, but at length the sum was subscribed; the stock, by another arret, was increased to 100 millions; the farm of tobacco, amounting to 4 millions a year, was then granted to the company, as a fund to pay the interest, and, under the direction of mr. Law, they made greater profits from it. Stocks were thus enhanced from 70 per cent. below to 20 per cent. above par. The India and African companies were afterwards incorporated with the Mississippi, whose capital was further extended, by which means stocks rose to 5 or 600, and, in the progress of this matter, to 1000 per cent. at this period a subscription was opened for 50 millions of livres, at 10 for one, payable at ten different payments; and so infatuated was the nation, that the subscription, in a few days, amounted to 75 millions, being half as much more as was wanted; and the day after the subscription closed, those who had given 1000 sold for 2000 per cent. When the

bubble burst, as it is expressed, no attempt was made by government to interfere in the transfers made by individuals, but all such transfers were valid.

From all which, I think it will appear that stocks are, in their nature, a species of property subject to great variations, from calamities and other causes ; that the market price will be regulated by public opinion, and that it is always considered as an equivalent. A transfer of property in the funds, at market price, differs widely from the gambling of stock-jobbers, a pernicious species of traffic, of the nature of wagers or bets ; and those concerned therein have no property in the funds, and generally are subject to punishment.

Should enquiry be made, what calamity have we been under to reduce so low the price of our stocks ? I answer, the calamity of a defective national government ; the effects of which were severely felt. In 1780, congress called on the states to sink their respective proportions of the old paper money ; part complied, and part did not. The consequence was, that in 1781 the bubble burst, and almost ruined the public credit. Early in 1783, the army, from want of pay, were nearly mutinying, and part of them soon after did mutiny, and drove congress from Philadelphia. Again, congress, by the confederation, were authorised to tax the states on a valuation of their respective property ; but the states were unable to produce the documents required for forming that valuation, and refused to adopt a new rule proposed by congress, who could therefore levy no tax. To evince an honest disposition, and to support public credit as far as possible, congress proposed the plan of impost, and supplementary funds : This was accepted by some states, and violently opposed in others, which produced apprehension that a considerable part of the union wished to apply the sponge to the public debt. These circumstances, and the consequent commotions, so weakened government, that we had no credit, public or private, at home or abroad. By these and other calamities, and the load of our debt, were the stocks reduced, the public opinion fixed their rates, and taking the risk, they were worth no more ; but circumstances are now altered, and they are increased in value.

Gentlemen, to support discrimination, have charged assignees with fraud. Are the assignees chargeable for the

defects of the confederation? Or for a non-compliance of some of the states with the requisitions for sinking the old bills of credit? Or for the mutinying of part of the army? Or for defeating the plan of the impost and supplementary funds? Or for the consequent commotions? Or did the assignees deceive the original holders? Did they act the part of sharpers and swindlers? If so, bring the culprits to justice; your country demands it. But if their only crime is good fortune in their negotiations, if they have purchased the securities in open market, and honestly paid for them, treat them as good citizens, acquit them of fraud, and do them justice. Being among those original holders who have transferred part of their certificates, and not replaced them, I can feel for myself, as well as for our brave foldiers, but am against discrimination. So much for the justice of the measure: Let us now consider the policy of it.

It is admitted, on all sides, that the preservation of public faith is indispensable to the welfare of the union, and, in what does it consist? Public faith, as I conceive, consists in a punctual fulfilment of engagements, and contracts on the part of government. To preserve public faith, therefore, it is necessary that a nation should have adequate resources, the government adequate powers, and those who administer it, integrity and abilities. That our resources are equal to the payment of our debts had not been denied; that congress have not sufficient power, I presume none will assert.

The preservation, then, of public faith, will principally depend on their integrity and abilities. Their abilities may not be questioned; but their conduct, in this case, will be critically examined and tried by the standard of morality: If it will stand the test, they will have the confidence of the people; but if not, vain will be every attempt to establish public credit. For this is nothing but the confidence of the people in public faith, and the people will think that, whatever resources they may have, or power to change the form of government, the defective principles of the rulers can only be corrected by the Sovereign of the universe. Is it good policy, then, to rest the public faith on an act of discrimination, which is intended to saddle one class of citizens with a tax to repair the loss which another class has sustained by a breach of contract on the part of the public? This will wear the

appearance of committing one fraud to cure another.--- The right of speculators to purchase certificates, at the market price, is undoubted, and their conduct in making the purchases and payments is unexceptionable; but if there was a doubt of this, in regard to some, would it be sufficient ground for a discrimination?

Again, the whole expence of the war is supposed to be about 176,000,000 dollars, of which there is now due 80,000,000 dollars, exclusive of 2,000,000 supposed to be due to the third class of soldiers. It is good policy by funding the debt to do every thing necessary for the support of public credit, except making payment of 2,000,000 dollars, and then, at the risk of public credit, by an act of discrimination, to save the sum last mentioned, which is but one eighty-eight part of the expence of the war?

But how are we to obtain loans in future? Some gentlemen conceive the establishment of our funds will always precede the loans: Can any gentleman insure this? I conceive not. There is not a nation in Europe so happily circumstanced; and if an unfunded debt should again be requisite, who will lend when your unfunded securities cannot be transferred, because you have established a precedent for discrimination? Is it not evident, then, the proposition is pregnant with ruinous consequences?

If enquiry be made, what is to be done with the suffering soldiers? I answer, pay them, if your funds are sufficient; if not, assure them you will do it as soon as funds can be provided. It has been suggested that they have relinquished to the public seven-eighths of their property: If they have, I think it unjust to accept it.--- But is this the fact? Would they not have received the whole of their liquidated demands in specie, had it been offered? There can be no reason to doubt of this. Some gentlemen say, they wish to compound the matter, between the soldiers and their assignees, because we cannot pay both: Would not a composition, on such principles, be a declaration of national bankruptcy? And shall the United States, with 3,000,000 inhabitants, with the most flattering prospects arising from the increase of commerce, husbandry and manufactures, with such an extensive territory, and in the vigor of their youth, declare bankruptcy for a debt, including the federal, state, and foreign

loans, not exceeding 80,000,000 dollars, or 18,000,000 sterling; when Great-Britain, with only 8 millions of inhabitants, can fund a debt of 240 millions sterling: I hope not; and consenting to such a measure I would never own myself an American.

Some gentlemen have referred us to the act of congress for scaling the continental currency, to prove both the policy and justice of a discrimination. Let us examine that matter: Congress, from the commencement of the war, to Feb. 1781, were but a meeting of state commissioners, without any form of government or powers, except such as were contained in their discordant commissions. From April 1775, to the end of 1779, they supported the war by artificial credit: At that period they had issued 200,000,000 of paper dollars, and borrowed 35,000,000 of dollars on loan-office certificates, which were afterwards reduced to 11,000,000; they had borrowed all they could in Europe, and were reduced to the necessity of stopping emissions, and of depending on the states for monthly supplies of 15,000,000 of depreciated dollars, and on domestic loans. In March, 1780, the proposed taxes and loans failed; emissions on the former plan were at an end, and congress were reduced to the necessity of scaling the old debt, to sink it, and of beginning a new, or of giving up the cause; sad alternative! to violate the public faith or be enslaved. They chose the former, but aimed to do all possible justice. Indeed they had one reason for scaling bills of credit, which applies not to the liquidated debt. The public did not receive the value of the former, but did of the latter, according to the nominal sums; and had each emission been scaled according to its value when issued, the public would probably have been better satisfied, but having reduced the old bills from 40 to 1, did congress attempt to re-scale them when they sunk to 1000 for 1? Or did they provide that original holders, who passed continental money for less than they received it, should be reimbursed by the assignees? If not, the precedent is against discrimination. Indeed, if the precedent favored such a measure, it is admitted by the gentleman who produced it to have been a violation of faith, and is therefore a bad precedent, which can never sanctify a bad act, or alter the eternal rules of justice. Because, then congress, in a distressing war, without a form of government, and at the

end of their resources, violated their faith, can we, on a principle of policy, in a profound peace, with a strong government, and sufficient resources, be justified in taking a measure which promises so little advantage; and which may involve such dangerous consequences? If this measure is adopted, what is to be done with them who have given congress a dollar in public securities for an acre of land, such as you will now sell for one fifth of a dollar in the same securities? Ought not congress, on their own principle, as the assignee of the purchaser, to reimburse four-fifths of this property? But what security will a speculator in land have, who may purchase of an original proprietor, that when the value of the land is enhanced, a similar discrimination will not be made? And who, thus circumstanced, will purchase your lands?

With respect to the practicability of discriminating, gentlemen in favor of the measure, have not removed the objections of those who are against it, and have only said a provision must be made in certain cases, without explaining. It has been said, if the latter will unite with the former, the difficulties, although great, may be removed; but no effort can make a measure practicable, which is impracticable. Such attempts tend to weaken government, and to bring the laws into contempt, as we have seen in regulating acts.

Public opinion has been mentioned as an argument in favor of the plan. I have the highest respect for the public opinion, but have not argued on this ground: First, because, in the present case, we know not the public opinion; and secondly, because conjecture is endless and useless. Indeed, in great national concerns, the public will generally form their opinions by the proceedings of the legislature, because the latter have a more general view of matters, and the best means for forming a judgment. If, on the whole, then, the justice, policy, or practicability of the measure, was only in question, ought we to accept it? But when we are doubtful of all, ought we not to reject the proposition?

Mr. BLAND

Seconded mr. Gerry's motion. He said he was apprehensive the idea of discrimination had already worked mischief. He then explained the fallacy and injustice of such a measure, which he thought had been clearly proved to the house, and assigned, among other reasons, its

impracticability, which, if there were ninety-nine reasons for it, that in itself was sufficient to make him vote against the amendment.

Holders will come to the treasury and demand payment; there they must lie until proofs can be obtained. The same inconvenience will arise respecting the interest: Suppose a creditor, if the amendment should pass, was obliged to look for proofs, where must we seek them, in the grave, beyond the sea, in Asia? Suppose a creditor was unwilling to comply with this law, you must then pass another law to compel him to deposit his security.

The question had not been answered to his satisfaction, and he should not have risen, were it not on account of the point of discrimination, to which he had always entertained an aversion, as involving the loss of that most valuable and inestimable jewel, public credit.

If we commit this breach of public faith, it would be little better than the tender laws of Rhode-Island. No doubt, some of the speculators had deserved punishment, but others are innocent. He observed, that he was no speculator, but he held original securities, therefore, the decision could not affect him. There is hardly a state in the union that wishes for any discrimination. If the state accounts are to be all reckoned, what a day of reckoning would that be, to travel back and issue fresh notes; it would be two final settlements. In short, there appeared so much intricacy and difficulty, that it was utterly impossible and impracticable in his opinion.

Mr. LAWRANCE

Said it appeared to him, that the gentleman from Virginia, (Mr. Madison) had taken much pains with the subject, from the accurate manner in which he treated it. On this occasion he had been a listener often, a speaker seldom, and, of consequence, had weighed it with peculiar attention; but, nevertheless, it appeared to him that the gentleman had erred in principle; this had been sufficiently demonstrated by those who had gone before; he therefore would not notice any thing on that point. But as the honorable gentleman had put the propriety of the business on precedent, he would notice only those precedents; when the cause is committed to precedent for support, great care should be used to adduce such only as were applicable.

He confessed, after the constitution under which they

deliberated had gone through such a full investigation as it had done in the last session, as well as at the time of its formation and ratification, he could never have supposed that gentlemen would apply precedents from an omnipotent parliament to a limited government, as a rule of action. If there was an analogy in the two governments, he had not discovered it; but if he had discovered it, at the proper time, he should have been as strenuous in opposing the adoption of the constitution as he had been in advocating that measure: He could not, under his idea of that instrument, refuse to admit, as a legislator, the rigid maxims of law and justice, as it regarded the property in dispute, which the gentleman had spoke so lightly of. After these observations, he would admit so much of the precedents as applied, but no more. The depreciation of pay, allowed the late army, is not a case in point. Here there are three persons, one to be benefited at the expence of an other; there the soldier had justice done to him at the expence of the government; but before the depreciation was allowed, congress had determined that their paper was fallen in value as forty to one; before the cases can be parallel, congress must determine that the certificates are depreciated forty for one; but this would be least unjust if all the public creditors were equally affected; by the gradual reduction of the nominal value, the depreciation of the continental money operated equally. But congress were governed, on that memorable occasion, by another principle than is now contended for; it was policy which dictated the allowance to the army of their depreciation, not general and equal justice; if general justice had been attended to, those who left the army, as well as those who continued in service, ought to have had the depreciation of their pay allowed them, but they have never yet been allowed the depreciation; this demonstrates the principle which governed at that time to be policy; they feared, without this measure was put in execution, that the army would disband, and they would never be able to collect or keep another together. The government having, at its own expence, on that occasion, done partial justice, is a precedent for doing what? For doing partial justice to one set of men at the expence of another set; speaking the authoritative language of despotism, and trampling the sacred rights of property under foot.

The next precedent adduced, is that of the Canada bills. If my memory serve me, those bills were paid by the French army to individuals in Canada; afterward they were pur-

chased by the English merchants, but were they, in consequence, a claim upon the English government? No: They were a claim upon the French government. The individuals never could contemplate that it would be proper to involve the nation in a war, for compelling the payment of those bills; therefore, it was their wish and agreement at the treaty of peace, to accept of what they could get; but this was no violent interference on the part of government, to take from one class of its subjects, in order to give to another class, or put into its own coffers.

With respect to the act of 1713, in the reign of queen Ann, it is to be observed, that it affects the private, or unauthorised debts of the crown. In the reign of king Charles the second, special provision was declared for the support of the crown; if this specific revenue was exceeded, as was the case in the time of Ann; due bills were given for the debts contracted, due bills not issued on the authority of parliament; and which sold, perhaps, from this circumstance, at a very great discount: It was supposed that the nation was under no necessity to discharge them, because, with them there was no contract; but is it pretended, in the present case, that we are at liberty to refuse the payment of our certificates? Is there no contract existing between the government and individuals? So far as this act is in point, it proves that the British parliament interfered in altering private contracts; not public; the contracts between individuals; not between the public and individuals. The interference of the same parliament, in the contracts between the South-Sea company and individuals, proves equally as much; but neither of them prove that Great-Britain undertook to do what is now proposed for us to attempt; but if they did, I hope an unjust or questionable measure is not to be adopted, merely because it was carried into execution in a foreign nation.

The honorable gentleman, after having adduced these cases, asks, if they affected the public credit of that nation? I answer no; and the reason is evident: They were not attempts to violate the public engagements, or to injure the creditors of the nation.

It may possibly be contended, that there is no contract on the part of government to pay these debts, but that idea will be dissipated the moment we read the words of the constitution, "all debts contracted, and engagements

entered into, before the adoption of this constitution, shall be as valid under this constitution, as under this confederation," the words, " as valid" make the constitution as clear as words can make it ; but one of the great causes which brought about the last revolution, was a desire which pervaded the community of securing the performance of contracts, the too frequent interference of government, in this respect, has been felt and acknowledged by all ; can we then suppose, that the public opinion is to be gratified by a measure founded on principles, which are rejected and despised ? No ; if we mean to give satisfaction, it must be by acting on the principles of national obligation, justice and good faith ; I believe we shall violate the whole of these, if we adopt the proposition.

I did not put my opposition upon the impracticability, but on the right ; I think it treason against the constitution to break through the restraints and obligations it imposes ; we cannot, on any consideration, violate our engagements.

I suspect I was misunderstood, in one observation, I will therefore repeat it, in order that it may be corrected ; I did not say that the state of New-York compelled the British merchants to receive their debts, due them from the citizens of this state in certificates ; but that, by the laws of the state, the individuals, who remained within the lines, were to receive of the individuals without the lines, certificates at par, and that, of consequence, those remaining in the hands of those to whom payments of this kind were made, are entitled, on every principle of justice, to the total of their nominal amount. I shall make but one other observation.

It has been frequently said, during the course of the debate, that the adoption of the proposition, for a composition between the two classes of public creditors, will be no more a violation of the constitution, than the adoption of the principles of the report, that a reduction of the principal, is nothing worse than a reduction of the interest : But here is a material difference, in the proposed measure, the government, by the exercise of a despotic power, tears away the property of the individual ; while, in the other case, the whole property remains, and nothing but a modification of its form takes place ; nor this without the consent of the creditor. Whatever objections may be taken against this part of the report,

will no doubt be fully considered, when the alterations come under consideration, and I trust fully and satisfactorily answered.

Mr. AMES.

Placing the proposition on the ground of precedent, appears to be an abandonment of the principle of right ; and the only principle upon which it can be contended, will be that of expediency ; yet nothing can have been more conclusively shewn, than has been the inexpediency of the proposed measure : If it is contended, that the violation of rights by other governments, authorise us to pursue similar measures, and the application of precedents shews that this is the object, gentlemen need not to have travelled across the Atlantic in search of an example ; they might have found instances of violated rights nearer home ; they need not have gone further than particular state on these shores, and they would discover a warrant for any infraction of individual right. If then the business rests on the precedents which have been adduced, it will be proper to examine those : When the parliament of England interfered in the South-Sea scheme, it was not with a view of destroying rights ; but in favor of them, and for their protection. The paper money of the late congress, if I understand the transaction, is not at all in point : The government paid the soldier in depreciated paper, and afterwards allowed and paid him the deficiency ; nor did the person to whom that paper was paid away, ever suppose he had a claim to the after grants of the government. The case of the Canada bill resolves itself into a transaction, between nation and nation, therefore, does not apply.

The case of the due bills, in the reign of queen Ann, I could hardly conceive they were applicable to the present time ; but, as was observed by the gentleman who preceeded me, these due bills were issued for debts due on the civil list ; not by the sanction of government, nor were they made transferable by an express act of the legislature. The measure too was carried at the close of the session of parliament, with expedition, and probably without debate ; but it is a rule, that a measure agreed upon without debate, shall not be drawn into precedent ; hence, if the case was in point, which is strongly denied, it ought not to serve as a precedent to guide our decision.

Gentlemen have told us that it never was contemplated, either by the purchaser or seller, that the right to the real sum mentioned in the certificate, was obtained and conveyed; but how does this doctrine comport with the many and solemn declarations of congress, finally to pay, with honor and punctuality, the utmost farthing? If this be popular opinion, let popular opinion chuse its own instruments to effect it; for my part, I will never have an agency in effecting business which my principles—principles acquired by education and practice, and which, I believe, comport with those of my constituents, ever are averse to.

It is not on account of its impracticability that I oppose the scheme; it is because I conceive it to be unjust and dishonorable. I will only add, that the observations I made on this point, when I was up before, were not intended to convey any personal reflections; no man can respect more the honorable mover than I do; it is the measure, and not the man, that I oppose. I am well-convinced, from the experience of that gentleman's candor, and his reputed integrity, that he is actuated by the purest motives, though I think him to be engaged in a bad cause.

Mr. MADISON

Hoped the committee did not conceive, with the two gentlemen that had replied to him, that he meant, by adducing precedents, to abandon the ground of right. The committee will recollect, that the gentlemen in opposition were repeatedly calling for precedents, and desired us to produce them, especially from Great-Britain, which nation was held up to us as a model. They told us, that such an interference on the part of the government of England, would have annihilated that credit for which she is so respectable. Under these circumstances, the committee will think there was a necessity imposed on us to adduce precedent; and that we did it, not merely to rest our argument on it alone, but as a collateral support, to shew we had been challenged.

The committee rose, and the house adjourned.

FEBRUARY 19.

In committee of the whole, Mr. Madison's proposition for a composition still under consideration.

Mr. LIVERMORE

Said, he was against any discrimination between the soldier, or other public creditor, who held a public security, made payable to the bearer, and conse-

quently transferable, with intent that they might be sold, if convenience or necessity should require it. This had been understood by all parties, as well in America as in foreign countries, they had been sold accordingly. The advocates for discrimination have not denied this; they have only alledged, that the low rate at which the poor soldier, or other public creditor, had sold his securities, was a sufficient reason for congress to interfere and set aside the sale. In opposition to this, he observed, that persons had a right to buy and sell at such prices as they could mutually agree upon, provided there was no fraud.

A diamond, a horse, or a lot of ground, might be sold too cheap or too dear, and so might any other property; but government could not interfere without destroying the general system of law and justice. Esau had sold his birth-right for a mess of pottage, and heaven and earth had confirmed the sale. The distressed of the army, both officers and soldiers, at the time they received and sold their securities, had been painted in too strong colors. They were not so emaciated, by sickness or famine, as had been represented. They were crowned with victory, and received with applause by their fellow-citizens; and although they had been paid in paper, their loss had been made up by large bounties and in other emoluments; so that, in point of property, they were equal to their fellow-citizens, that had borne the burden of taxes, under which many were laboring to this day. Let them be called BRAVE soldiers, PATRIOTIC soldiers, but not POOR soldiers. They ought to be governed by the same system of justice that governs others; but their contracts ought not to be set aside out of partiality to them. He said, the case quoted from the statute of queen Ann, was not applicable to this case, inasmuch, as government had not originally made the debentures therein mentioned transferable. Neither, he said, did the case of the Canada bills apply; for, as he understood, those bills were paid to British merchants, or others, who had purchased them.

He concluded, by saying, that he would vote against the amendment, because no sufficient reason had been assigned, that could operate in his mind against the general system of right.

Mr. BURKE

Said, that on Friday last he had laid before the house a motion for making a discrimination between original holders and assignees of public securities, and for establishing a scale of depreciation of those securities : This motion he afterwards thought proper to withdraw, as, on further consideration, he deemed it altogether impracticable, and because he was not convinced that such a measure was honest and consistent with public faith. He did not, therefore, think himself at liberty to give it his support.

As to the question before the committee, he could consider it in no other view than as a question, Whether we shall commit a breach of public faith with the domestic creditors of the United States, and violate those solemn promises, so often repeated in appeals and proclamations to the people by the late government, and a promise or engagement which has been reiterated by the new constitution ? In his opinion, it required no profound skill, in politics or finance, to answer the question : It is only consulting the dictates of common faith and common honesty, which command nations as well as individuals to fulfil their engagements.

The United States have repeatedly pledged themselves, in terms plain as language can express, to pay to the bearers a specific sum : And to commit a violation of this promise appeared to him both unjust and impolitic. If the United States are able to perform it, they ought to do so. He believed and hoped that they had the ability ; and even in the case of inability, he was of opinion, should bankruptcy itself ensue, from the honorable attempt to do justice, this would be preferable to a stain cast upon these states, at their commencement of political career, by a cool and deliberate act of public injustice to their creditors. America has established in the world a high military character : Let her but fulfil her engagements, and she will also establish a national character of honor and fair dealing. This will be to her as a real and substantial treasure, which she will be able to transmit, like a fair inheritance, to her children. Should we, on the other hand, pollute her, by suffering her to commit a breach of honor, it will be such a public calamity as no money can compensate.

He wished to offer a few observations, in answer to those gentlemen who were so urgent in favor of the motion.— They had advanced that the officers and soldiers have not been fully paid. The gentleman from Virginia (mr. Madison) has said that, without the discrimination which he of-

fers, we shall be raising monuments of gratitude, not to our officers and soldiers who fought for us, but to those who speculated on our securities. On this, he would remark, that it is to be lamented, when our army was disbanded, the derangement of our affairs put it out of our power to pay them in specie. The states, however, did every thing in their power to provide for their soldiers. The state of South-Carolina gave them bounties in lands, and the warrants and grants for these lands were passed through different offices without the usual fees. North-Carolina, Virginia, and other states, gave similar bounties, he believed, without mentioning the lands appropriated for them by the United States. He would not say that the soldiers have been rewarded; for what reward can be adequate to their great services? But he insisted that the people of America have not been unmindful of those services. If we, for a moment, consider the conduct of the people towards one part of the army (the officers) we shall find that America has signally displayed her gratitude towards them, from the commander in chief down to the ensign. The illustrious leader of our armies, retiring from the field to private life, she again raised to the elevated station of a *sovereign prince*! Through what motives? From gratitude for his splendid services. View the high departments of the general government; look into the several offices; enter the several custom houses from the northern to the southern extremity of the continent: There we shall find conspicuous instances of gratitude.

Let us now see how the people regard the officers of the army in the different states. In South-Carolina, no other class of citizens stand any chance in competition with officers; they are promoted to the stations of governor, lieutenant-governor, privy counsellors; they are to be found presiding in the tribunals of justice, in the legislatures, and on the floor of congress; and the gratitude of the people follows them in the private walks and ordinary occupations of life. They are justly held in love and veneration; and, if the future historian of America records the truth, and nothing but the truth, he must raise lasting monuments, both of the illustrious services of the officers of the army, and of the gratitude and love of the people for those services. This he mentioned in answer, or rather defence of the people, and to clear them from the charge of ingratitude.

It is urged, in favor of discrimination, that a few speculators will make princely fortunes. This, he said, was a cir-

circumstance which he sincerely regretted ; as he did likewise regret the speculations now carrying on, from this city and other places, in the state of South-Carolina—the sending pilot boats secretly from New-York to Charleston, while the people there were asleep, as it were, and totally unacquainted with the councils or views of administration, with information on the one-side only ; this he thought a hard case. But the speculators, availing themselves of this, and a variety of other advantages, could not, he said, justify him, in his own mind, in giving a vote that would give a stab to the good faith and credit of a nation, in whose councils he had the honor of a suffrage.

He foresaw, however, a still greater misfortune in this business, than that of a few speculators aggrandizing themselves by our funding system : It is, *that our public securities will go into the hands of foreigners*. The present system, offered by the secretary, is *actually mortgaging these states* to foreign speculators, for the amount of the debt ; for the holders will sell, as they have already sold, immense sums to foreigners to raise ready money. Few of our citizens possessing monied capitals, ready money will yield far greater emolument, employed in commerce or agriculture, than when lodged in the funds. This is a calamity which he lamented from his soul ; but, upon a most serious consideration upon the subject, he was not clear but that a forfeiture of public faith, a loss of public credit, would be for America a far greater calamity. He entertained strong apprehensions, that parting with the fair inheritance of public faith and public honor, under any pretext, would be acting the part of him who sold his inheritance for a mess of pottage. Viewing the subject in this light, he said he could not, he dared not vote in favor of the motion.

He also mentioned another ground whereon he opposed it : The scheme of a discrimination appeared totally impracticable. Commissioners must be appointed, not only in different states, but in different places of the same state. If commissioners are appointed, for instance, in Charleston, the citizens must attend from the remotest parts of the state, and be worried in travelling backwards and forwards to seek for witnesses, many of whom may be dead, or removed into other countries—not to mention the length of time and enormous expence which so complicated a business must occasion.

He concluded by declaring it to be his opinion, that the proposition, if agreed to, would throw things into confu-

sion and perplexity, which he could not see the extent of : He should, therefore, oppose it.

Mr. MADISON.

If paper, or the honor of statues or medals, can discharge the debts of justice, payable in gold and silver, we can not only exonerate ourselves from those due to the original holders, but from those of the assignees ; so far as paper goes, the latter have received the compensation. If honor can discharge the debt, they have received civil honors ; look round to the officers of every government in the union, and you find them sharing equal honors with those bestowed on the original creditors : But, sir, the debt due in gold and silver, is not payable in honor nor appointments, nor in paper.

Gentlemen say it will work injustice ; but are we not as much bound to repair the injustice done by the United States ? Yet I do not believe the assertion has been established by any thing that has been urged in its support. The gentleman from Maryland, (mr. Stone) acknowledges that there is a moral obligation to compensate the original holders ; how will they get what he admits is their due ? He is willing to make an effort by applying the resources of the country to that purpose ; but if we are to judge by the sentiments of other gentlemen who have spoken on this occasion, we have little to expect from that quarter. Suppose the debt had depreciated to a mere trifle, and suppose the sale of the Western Territory had extinguished the certificates, let me ask, whether, if the United States had thus exonerated themselves from the obligation to the assignee, whether the claim of the original holder would not still remain in its full force in a moral view ? But believing the point of justice to be exhausted, I will just add one remark upon the practicability : The transferred certificates, generally, will shew the names of the original holders, and here there is no difficulty :—With respect to those granted to the heads of either of the five great departments, the books of the treasurer of loans, as well as the accounts of those departments now in the treasury will designate, with a great degree of accuracy, and this may be followed up by the usual mode of obtaining evidence ; and I believe, every security may be provided against fraud in this case, as was provided in the case of the commissioners who were sent into the respective states for ascertaining and liquidating the claims of individuals. That there will be some difficulty I admit, but it is enough for me that it is not insuperable ;

and I trust, with the assistance which the cause of equity and justice will ever obtain from the members of the national legislature, they will easily be surmounted.

Mr. WHITE

Wished to ascertain a fact which had been mentioned. He did not mean to infer that gentlemen had related a fact they did not believe ; but supposed they might have been mis-informed. He asked, whether foreigners had been induced to purchase in our funds by assurances from the ministers of the United States, residing at foreign courts, that no variation would be made in the domestic debt.

Mr. BLAND

Asked his colleague, (mr. Madison) how long he supposed the settlement which he contemplated would take in its completion ? For his part he supposed two or three generations might pass away before that object was accomplished, considering the dispersed situation of the claimants through America, Europe, Asia, and Africa.

Mr. MADISON

Said the claims of individuals were presented and liquidated by the commissioners throughout the United States in nine months ; that was the period fixed for that purpose by congress ; he would not say but it was too short, yet he thought this experiment fairly inferred that the ascertainment he contended for could be effected in a short time.

Mr. BOUDINOT had seen an authentic letter, in which the writer mentioned that the opinion of mr. Jefferson was asked, and obtained. He also had reason to believe the sentiments of the president of the late congress was given to the same effect.

The committee now rose, and the house adjourned.

FEBRUARY 22.

In committee of the whole,—mr. Madison's proposition under consideration.

Mr. PAGE.

As the worthy and eloquent member who replied to me did not answer the questions I put to the committee, I suppose he either did not hear them, did not understand me, or could not answer them. I hope, before the committee decide, they will attempt at least to resolve them. I asked, where is the injustice of the states complying with its engagements made to the first holders of certificates, as far as the case admits ? Where is the justice of doing more for the assignee than he or his assigner expected could or would be done ? Where the breach of faith in government if it paid

its whole debt with justice blended with mercy ? Where is the interference in contracts when the proposition is to comply sacredly, as far as the case will admit, with the contracts between a state and its creditors ? I asked, is not the assignment of certificates confirmed by the motion ? Does it not give to the assignee the very thing stipulated to be given, that is, whatever sum government shall be pleased to pay for the certificates, for that was the condition of the assignment ? And is not the sum now proposed more than either the first or last holder, till within these few days, supposed would be paid him ? I asked also, ought not an honest assignee to be pleased that government intends to do that justice to his assigner which he ought to do himself, were the whole payment made to him ? I asked, of what is the assignee deprived but of his late sanguine expectation ? I asked whether the proposition before us does not rather establish confidence in government than the contrary ? For, sir, to make use of the comparison which has been often made here between the state and an obligor on a bond, what could give more credit to any man's bonds than to find that, though they had depreciated to half a crown in the pound, he paid the whole twenty shillings ; ten shillings to the assignee, who had given but two shillings and six-pence, and ten to the obligee who had sold at so great a loss.

It is true congress may, consistently with the rules of common law courts, pay the bearer, and take no notice of the creditors ; but were a court of equity instituted to decide on the case of certain speculators, how would they decide ? Government, in the most solemn manner, pledged itself to make compensation to the soldiers, have they done it ? Instead of doing this, certain persons, who took advantage of their ignorance and their poverty, bought up the evidence of their debt at one-eighth of their nominal value ; and in some states these very men have drawn what constituted the principal of the purchase with six per cent. interest in three years.

In what does the case differ between the depreciated paper and the certificates ? Paper money was redeemed at 40 for 1, as well to the last as the first holder ; the same principle would lead to give the last holder of the certificate the depreciated value at which he bought it : But we propose to work no injustice, we give the first holder, if he is the holder still, the full value stipulated. It would not be injustice to consider the assignee, as having paid what he advanced, in consequence of his confi-

dence in government, on account of that government; and that the government ought to repay him what he so advanced; having repaid that sum, the balance ought to go to the credit of the assignee. I am willing, on this consideration, to call the speculator the friend and supporter of the government, who kindly lent us, when in need, 2/6 in every pound, to advance to the poor soldier: If certificates are the evidence of the debt, it proves, sir, that the balance is due to him in whose name it issued. This is the day of payment, and we must pay accordingly; and here permit me to remark, in reply to the observation of the gentleman from New-Hampshire, (mr. Livermore) that Jacob was punished for his fraud, but for his faith enjoyed the promise; even so let us regard those who had so much confidence in us, as to advance 2/6 to the distressed soldier.

Mr. HEISTER

Was in hopes this question would be postponed for the present, in order to go into a consideration of the ways and means; when, if it appeared that the United States were incapable of making full provision, it might be considered, whether one deviation would not authorise the other? If any gentleman would make a motion to that effect, he would second him.

The question was now taken on mr. Madison's proposition for a composition, and it passed in the negative; yeas 13, noes 36.

Mr. WHITE

Observed, that the second resolution proposed by the gentleman from Pennsylvania, (mr. Fitzsimons) was now before the committee; he would wish to modify it, by declaring that permanent funds ought to be *provided*, instead of *appropriated*; because the latter seemed to imply that congress were already possessed of the funds, which he believed was not the case; he also wished to extend the resolution, so as to embrace the civil and military establishments of the United States, leaving the surplus to be employed in just proportion to discharge the interest of the domestic debt. The plan of the secretary seemed to contemplate the payment of 4 per cent. and gave a preference to those who subscribed to his new loan; by this means, the original holder who had retained his certificate, and who thought his claim more meri-

torious than the others, and who, in consequence, could neither afford, nor would be willing to accept of either of the alternatives, would be left unprovided for, unless there should remain a surplus after every other demand was satisfied; he thought no discrimination ought to take place, and that he conceived to be the sense of the committee; then the revenue should be applied in just proportion among the creditors.

Mr. FITZSIMONS

Would not undertake to say, that this was an unfortunate proposition; but it had certainly been treated as liable to many objections, however he trusted he would not contend for words, so as the real object was attained; but he would ask, what did the gentleman mean by this motion? Does he intend that nothing more shall be provided for paying the public creditors than the impost now in collection? If he does, their claims will be but poorly satisfied; but he considered that no money could be raised by law, unless it was specially appropriated.

He hoped the funds of the United States would be found, under an æconomical and efficient administration, fully adequate to every demand upon their justice; the report of the secretary of the treasury placed it in this point of view, and it was the point in which he had long been accustomed to contemplate it: He was pleased to find himself warranted, in those expectations, by official information, drawn by a gentleman of ability, from indubitable documents, and some experience.

When he had the honor of bringing these propositions before the committee, he hoped their simplicity, and singleness, would have confined the debate constantly to the point. He conceived it to be time enough to enter into the minutiae, when the business was spread through the form of a bill. If the committee agreed, in the general principles, and great outlines of the plan, the inferior parts might be accommodated with convenience, so as to produce a complete and uniform system.

Mr. GERRY

Objected to the amendment offered by the gentleman from Virginia, (Mr. White) inasmuch as it involved a breach of the constitution; for, in the manner he had expressed it, the committee were to resolve, that permanent funds ought to be provided for the support of the military establishments of the United States, when grants of that

nature, are expressly prohibited to be for a term greater than two years.

Mr. WHITE,

If he was right in the principles of his motion, hoped it would be adopted; but he would obviate the last mentioned objection by striking out the word "permanent."

The proposition of Mr. White, being now reduced to a motion, a question was taken on the same; and it passed in the negative.

The question then, on Mr. Fitzsimons's second resolution (see page 251) being taken, passed in the affirmative.

The 3d proposition (see page 251) being under consideration :

Mr. LEE

Said, he conceived this to be the proper place for us to determine the *quantum* of the debt which the United States are able to bear; how much of the debt we shall fund, if we are not capable of funding the whole; and whether there is any part that has a less claim to interest being paid thereon than another; and in what manner such part ought to be provided for.

It is well known to every gentleman on the floor, that the United States have extensive tracts of vacant and uncultivated lands. Let us enquire, then, whether it would not be both prudent and politic to avail ourselves of this resource, and apply it to the immediate diminution of the public burthens? It is true, gentlemen seem pretty generally agreed, that the people of the United States are capable of bearing every burthen necessary to the support of public credit. This I do not mean to controvert, they may be capable of bearing each his full proportion; but I would ask, what is their inclination? Do gentlemen suppose they are willing to bear it? For unless, in a government like this, the people are willing to bear it, it amounts, in my judgment, to an incapacity, and will, on public credit, have the same effect.

Our present circumstances are distressing; we were brought into this calamitous situation by the ravages, depopulation and expence of the late war. It is our duty, then, as legislators, guided by a magnanimous policy, to do the best we can, for the community so circumstanced; let all our efforts tend in this direction, and we shall evince that our great object is the public good. This opinion, established on experience, will do more to perpetuate the blessings of good government, than all the theoretic systems that can be invented. Let us use our extensive western

country, to repair the ruin which has taken place; draw from the impost, or any other source of revenue, so much as can be obtained without distressing the community; but if it is not agreeable to go further, it is improper, and here we ought to call in aid the fund to which I allude—let the sales of land sink the arrearages of interest and indents—or let it be exchanged for them at a moderate and fair valuation,—we here do the best we can—we have this fund, and they have our obligation—we do not wish the holder of indents to pay an extravagant sum for our lands—we are willing to give them at a moderate rate.

If we can do complete public justice, let us do it; if we cannot do complete justice, let us do the best we can; we owe the interest, let us offer what we have of equal value, in order to make complete payment; after having provided for the punctual future payment of the interest and principal of the domestic debt, we can do no less than what I now propose, for the discharge of the indents and arrearage of interest. The measure, there can be no doubt, would give great satisfaction to our constituents, while it rendered the holders of securities full and adequate compensation for their claims. He concluded with moving, that the arrearages of interest, including indents issued in payment thereof, ought to be provided for by the sale and disposal of lands in the Western Territory.

This motion not being seconded,

Mr. GERRY

Would enquire, what it was intended by this resolution to do? Was it meant to fund the indents in the state treasuries? If this was contemplated, he feared that it would be a reward for delinquency; and this the committee would be convinced of, by referring to the manner in which the business was conducted; at the time that congress authorised a state to issue indents in payment of interest on the domestic debt, they called upon her to pass acts for collecting and contributing her proportion of the same to the United States. Some states passed acts accordingly, collected them in, and transmitted them to the treasury of the union. Others have collected them, but never paid them over as required. Therefore it appears, that this last class ought not to have the benefit of having the indents in their hands funded, while others who have shewn a more prompt compliance with the calls of the union, are prevented by having performed their duty, and paid them over to the treasury. With respect to the indents in the hands of the creditors,

and the arrearage of interest, he had no doubt of the propriety of considering them as part of the principal; he would, in order to make the object of the resolution more pointed, move to alter it so as to read, "ought to be incorporated with, and made part of the principal," instead of "ought to be provided for, on the same terms as the principal."

Mr. FITZSIMONS

Said there was no doubt but the intention of the resolution was, to make equal provision for all, whether in the possession of the states, or in the hands of individuals. He saw no mode by which a discrimination could take place, if even the principal was just; but it was as much a fact, as that some states had neglected to pay over their quotas to the federal treasury, and retained the indents in their own, that other states had paid their full proportion of them, and still retained a considerable balance, which they were undoubtedly entitled to fund. He apprehended these requisitions of congress must stand upon the same footing as all other requisitions; but in the interim, that a general, and equal provision must be made for all; and this was the idea of the secretary, as the whole interest, whether paid in indents, or unpaid, is calculated to be funded.

Mr. GERRY

Would submit it to the judgment of the committee, whether this was a just proposition, if they considered its operation? Suppose, said he, that one state has collected its full proportion, agreeable to the requisitions of congress, and sent the amount into the treasury of the United States, while another state has collected but half her quota, and has it still in possession, is it justice, or equity, that the state first mentioned, which has complied with its duty, should be under the necessity of contributing taxes to pay half the debt of the latter state? Yet this will be the result, in regard to every state which has paid its full proportion or less. If it will be unjust, as it respects those states which have paid but half, how much more unjust will it be as it relates to those that have not paid any. Will it not be better to let it be considered as a debt on account without funding it, liable to the final liquidation, and settlement of accounts: Or if we admit the states making defaults, to place its indents in the general funds, we ought to provide that those states which have paid in those indents, either in whole, or in part, draw back the same, or receive other securities to an equal amount, and then we may, on the

principles of equity, admit the whole to be funded : But the best way to proceed, will be, to consider the indents in the state treasuries, as in the treasury of the United States ; for he could not believe that it is meant that a state should have the benefit of its delay. He wished the proposition varied so as to embrace this idea.

Mr. LAWRENCE.

If gentlemen will only advert to this circumstance, the proposition, as it stands, will be admitted without any amendment. The several states have been called upon for several years years past, for certain sums, in specie or indents, and those sums were apportioned according to their supposed abilities ; these sums were not considered as their absolute quotas, but were left to be adjusted at some future period, when a rule of ascertaining the proportion should be agreed upon. Those states which complied with the requisitions, by advances of either specie or indents, are to be considered as making advances only on a general account ; so that whether a state complied or did not comply, is quite immaterial, because, when those accounts are ultimately settled, each state will have credit accordingly. Some states may avail themselves of the benefits of the resolution at present, but eventually, it will be equalized. The issue of indents was a measure intended for the advantage of the individual creditors ; the states were prohibited from issuing this species of certificates, until they provided a revenue for their ultimate discharge ; and the requisitions of congress were so arranged as to facilitate the efforts of the several states ; they were authorized to pay two-thirds of the requisitions in indents, and one-third specie. Some states passed laws conformable to these terms held out in 1785, but in 1787 an alteration in the requisitions took place ; the states were no longer obliged to pass laws covering so much of the indents specially, but were left to pay them in the manner they judged most expedient. He believed that the states which had passed laws for their redemption, had generally paid them over to the loan offices in their states, and they either hold them for, or have transmitted them to, the federal treasury. Probably, in some states, these certificates may be in the course of collection ; because, it often happens, that when revenue laws are passed, the payment of the tax is sometimes delayed. It is meant to say, by this restriction, that those indents only, which are this moment in the state treasuries shall not be funded ; if it is, how can the law be executed ? Indents

are made to pass as specie, they are issued without name. The States have received them as such, and have a right to pay them away, leaving the effect to be determined by the operation of the final settlement of accounts.

Mr. MADISON

Considered it improper to encumber a general proposition with a particular detail ; but beside this objection, he had another ; that is, it may tend to embarrass the committee on a future question of great magnitude.

Mr. SHERMAN

Would second the gentleman's motion, if reduced to form, in order that the sense of the committee may be taken on it, and afterward leave them to proceed to the main question. He thought the exception to funding the indents in possession of the states, ought to have a proviso attached to it, to secure to them a credit in the general account on its final adjustment.

Mr. GERRY.

What are the objections to the variation I propose ? It is suggested, by the gentleman from New-York, that the states having these indents in possession, may issue them and evade the intention of the law, without the possibility of detection. I will not suppose a thing so derogatory to the honor of any state ; but if the thing was to be apprehended, a remedy might be sought for, and no doubt with success. The same gentleman says, that when the accounts are finally liquidated, these matters may be adjusted ; but it is a doubtful matter when this adjustment may take place : Yet, suppose they were adjusted, which some consider as a contingency, which may or may not happen, how would it operate in the interim ? Here is a state, consistent with its duty, has complied with the requisitions of congress, so far, at least, as respects the interest of the domestic debt : While, on the other hand, there is another state disregardful of that duty which has not complied. This unlimited proposition will determine, that the first shall contribute to fund all indents, which the latter has received, collected, and retained ; but which they ought equally to have paid over to the federal treasury ; and on the capital of this exclusive debt, she must labor on to pay interest, until the final liquidation of accounts. Now, is there a state in the union, so flush of money, as to wish to contribute an unequal proportion to the support of this measure ?

Will it be satisfactory to those states which have furnished their proportion to be thus treated? Will they not contend, either, that the whole be paid in, or that they be reimbursed by the issue or return of their proportion, which they had already contributed? It appears that one or other of these modes ought to be pursued, as well for the satisfaction of states, as to conform to the principles of justice. The complying states could not but consider it oppressive and unjust, to contribute further sums, when they had done already what had been required on the principles of reciprocity; while those who had participated in the violation of public faith and the breach of contracts were rewarded.

Mr. LAWRENCE

Said, the gentleman's objection went against making any provision at all on this head; for saying that the indents should be left on the footing of the old confederation, was nothing more or less than rejecting them. If the national government should decline funding them generally, the individuals would never get satisfied.

The gentleman has supposed, that it would be derogatory to the honor of the states, that have not complied with the requisitions of the old congress, if they were to give out the indents, they have or may collect: He did not view it in this light, because he supposed every state had a right to use this property, as it pleased, and wait the final settlement of the accounts. If she paid them into the federal treasury, the balance due her on settlement, would be greater; if she neglected, it would be less, so that the event would do equal justice, according to the nature of the case. But the ground of requisitions was abandoned, the mode of providing for the public debt was different, the general government now operated on individuals: How then is it derogatory to the honor of a state, to use a property, which, as she has not paid, she must hereafter pay? The mode of discharging the public debt being varied, we are not to expect that any state will pay a farthing on the old requisitions of congress, what they have they will keep, and abide the ultimate adjustment; from hence, it appears that the motion and ultimate proviso, are unnecessary, even if the measure was within our reach, which it certainly is not.

Mr. LIVERMORE

Apprehended the general proposition made by the gentleman from Pennsylvania, was embarrassed, by having in it the word "indents," he wished, therefore, it, and all that related to it, might be struck out. He thought the indents issued by the former congress, ought to stand on their old footing, and be paid in on the requisitions. A great part had been already collected, so ought also the remainder; but if any part should eventually be left in the hands of individuals, government might make provision for them. If gentlemen objected to strike out the word "perhaps" and inserting "not," before the word "including," would produce the same effect.

Mr. FITZSIMONS

Feared the gentlemen had not considered the subject with their usual accuracy; if they had, they would not embarrass it with a question of this sort: They would please to recollect, that the requisitions of congress, touching the indents, were of the same nature as those of specie. These requisitions, as well the one as the other, were complied with by some states in full, in some by small advances, while others paid none at all: From these circumstances, it happens that a large sum is now due the individual creditors, either for the indents in their hands, or for the unpaid interest due.

The indents due on the requisitions of congress, in April 1789, were 6,491,000 dollars; the specie was 3,521,000: Now, how can it be proper to call upon the states for the first balance, and not for the last? If it is meant that these balances should be paid, the state I have the honor to represent, can have no objection; she has paid an equal proportion to any in the union; but, I believe, no gentleman on this floor, entertains a hope that the states can be prevailed upon to pay up the balance of the requisitions in specie; this ground, I take it, sir, is totally abandoned; and if we mean to do any thing for the support of public credit, we must have recourse to some other mode of obtaining revenue: If it is intended to refuse funding of the indents in the state treasury, great injustice will be done, for the state of Pennsylvania, has not only paid the whole required of her by congress, but has a considerable balance in her treasury.

For that state having assumed payment of the debts of the United States, due her own citizens, has made a provision for the payment of the interest in actual money; as she assumed more than her proportion of the domestic debt, she consequently drew interest in indents beyond the quota required of her by congress, the balance still remains in her hands, and she is undoubtedly as much entitled to have them funded, as if she had issued them to her citizens, instead of the money she has paid for interest. The state of New-Jersey is in the same predicament, and there can be no doubt but these two states, and every other in similar circumstances, would sustain real injustice, if the amendment proposed by the gentleman from Massachusetts was to take place.

Mr. GERRY

Said, the arguments of the gentleman last up, did not touch the question, because the amendment was not intended to affect the balance held by the states, which had paid in the indents required by congress. The situation of Pennsylvania, ought, no doubt, to be provided for, but he did not know that any other state in the union was in the same condition; but he was well convinced, on the principle of equity, that the delinquent states had no right to have their indents funded, and burthen those which have already contributed their full proportion, with a debt they do not owe: He would state a case; suppose the whole debt of the union had been quotaed, and levied before the formation and adoption of the constitution, and the state of Pennsylvania had paid in her full proportion, then she is, in justice, discharged from any other or further contribution; but the new constitution having taken place, the delinquent states oblige her to take up part of their burthens; they levy a direct tax, and make her pay a second proportion: Would this be consistent with justice? It would not; yet the proposition stands upon the same principle: Would the states, who have performed their duty, submit to such oppression? It could hardly be expected of them. But if they acquiesced for the sake of preserving the harmony of the union, is it likely that the delinquent states would ever concur in, or aid the final settlement of the accounts, which would bring the old load upon the shoulders of the majority, and render that distributive justice which they now evade? Whatever may be the event, it is certain

that it would be their interest to avoid the final adjustment of the expenditures.

Gentlemen say, that individuals will be affected by the restriction which I have contemplated; but how will they be affected? Advantageously: For I would ask any gentleman, if the funds will not yield a greater proportion as the debt is less, and if this will not secure a more punctual and complete payment than when the debt is increased by the addition of the indents already in the state treasuries? But there is a real distinction between the specie requisitions, and the requisition of indents: Specie was to be collected of the inhabitants, without a certainty of a return; but indents were first lent by congress to the states, and they were to return them after having made the use of them for which they were issued: Some states having paid the whole back, others have paid little or none. Now, what was the contract? That every state should return the indents that were advanced to them. It cannot, therefore, be consistent with justice, to burthen the complying states with a load of debt, accumulated, and applied by the defaulting states to their exclusive advantage, without any other than a very remote expectation of reimbursement at the final settlement of accounts.

Mr. FITZSIMONS

Was apprehensive lest an amendment of the kind proposed should embarrass the business: How could the gentleman make the exceptions he had admitted to be proper? The claim of Pennsylvania was indisputable; but, perhaps, other states might have the same justice due to them, in cases where their claim might not be altogether so apparent.

Mr. CLYMER

Said, the gentleman ought to qualify his amendment, so as to speak the language of his own explanation: He ought to accept only those indents collected into the state treasuries, for the purpose of complying with the requisitions of congress.

Mr. BENSON.

The motion for amending the original proposition, appeared to him to stand on a principle rejected by the committee. It would be an unavailing discrimination; because the power of the general government could not reach the case: Suppose this state was to direct their

treasurer to sell the indents in his possession, and buy certificates, or if they were to order them to be exchanged or paid away, how would the congress prevent the measure? This government does not operate on states, as the confederation did; it operates on individuals, and who is to be punished for the act of the state? Has congress authority to forbid the sale, or to punish the disobedience of its order, in this case? It is a delicate question, and ought not to be unnecessarily agitated.

Mr. HUNTINGTON

Had some suspicion that a resolution like that proposed, would tend to embarrass the final settlement of the accounts; and for that, as well as the other reasons suggested, he would vote against it.

Mr. GERRY.

The gentleman from New-York says, that my proposed amendment stands on the footing of discrimination, which has been rejected by the committee. There is only this difference; the former question was reduced to this, shall we pay a just debt, acknowledged to be due? And the present is this, shall we pay a debt to a state, which, so far from being due, is absolutely reversed? That the state owes to you the very sum you propose to pay her.

In reply to the gentleman from Connecticut, if this will embarrass the final adjustment of accounts, between the United States and individual states, so will every credit-charge which there may be in the case; but this will embarrass the settlement no more than any other charge.

Mr. SEDGWICK

Saw nothing like discrimination in the proposed amendment; he conceived that whenever the indents were collected into the state treasury, they were the property of the United States, and it was nothing but neglect in the states that they were not paid over; ought the consequence of this neglect be to enable a state to obtain a debt against the United States, until the final settlement of accounts, when she is nothing more than the agent of the government, by whom the business of indents was transacted?

Mr. BENSON

Would state a case which would shew the discrimination: Suppose a creditor of the United States had received

ed one hundred dollars in indents, as the interest of his money, and was to purchase of the state of New-York, land to that amount, and pass the indent in payment, but, because it is in possession of the state, it must not be funded; yet, what is in the hands of individuals shall : What is this but discrimination? But the attempt must be vain, you never can trace the security, you must accept them of those who hold them, and if your act was to restrain New-York from passing them out of her treasury, the state of New-York would not be obliged to obey such a law.

Mr. GERRY.

The gentleman says, the state of New-York would not be under any obligation to obey a law restraining her from issuing the indents in her treasury; I should be glad to know on what principle he founds this opinion.

Mr. BENSON

Replied, that this was not one of those points in which congress had a right to legislate for the state; and, therefore, any regulation on this head could not affect them.

Mr. STONE

Thought it would be unjust to fund the indents in the treasury of a delinquent state, and refer the one that had paid in its quota to so distant a period, as the day of final settlement: He thought the general government ought, if it funded the former, return to the latter all that had been paid in, and then they would stand on an equal footing.

Mr. LAWRENCE

Said, it was not on account of the state he represented, that he opposed the amendment, but it was on general principles. The state of New-York had paid her proportion of the requisitions with great punctuality, and perhaps no state in the union had paid more than she had in indents, Pennsylvania excepted.

The call for the question being pretty general through the house,

Mr. HEISTER

Wished gentlemen to delay the decision; it was a delicate question, as it respected the customs and opinions of the people of the United States, how far it was proper to sanction the payment of interest on interest; but beside, it was a sum of too great magnitude, to perpetuate the bur-

then of upon their constituents, without more deliberation and discussion than had hitherto been given it.

The question on mr. Gerry's amendment being put, it passed in the negative.

Mr. HEISTER moved the rising of the committee, as he was against deciding at present, on the proposition; if, however, the question was pressed, he would vote in the negative.

Mr. SHERMAN thought the interest was as meritorious as any part of the debt, and ought, of consequence, to be equally provided for.

The question on the third resolution (for which see page 251 of this vol.) was put, and carried in the affirmative.

The fourth resolution, on the assumption of the state debts by the United States, under consideration.

Mr. LEE hoped this subject would be passed over, for this session at least; it was a question too momentous to be hastily agreed to.

Mr. GOODHUE hoped it might not be passed over, but he had no objection to the rising of the committee.

Mr. SEDGWICK said, the question involved a great variety of consequences, and was deserving of the most serious attention; but as the day was too far spent to go into a discussion at this moment, he would second the motion for the committee's rising.

Whereupon the committee rose, and the house adjourned.

F E B R U A R Y 23.

In committee of the whole, mr. Benson in the chair.

The assumption of the state debts under consideration.

Mr. LIVERMORE

Thought this proposition one of a very extensive nature, and of which the committee, at the present, had no complete idea. But why are we to use such expedition in determining upon it? The secretary does not consider it of importance to provide for it for a long time to come. Are the creditors of the respective states, or the states themselves, clamorous for the measure? They have not, as yet, applied to congress on this head; perhaps the creditors are satisfied with what the states have done for them; why then are we to undertake a work of this extent, when nothing appears to shew its necessity, or even propriety? Is not the task of providing for the real debts of the union sufficiently arduous, without undertaking more, when more is unnecessary? Beside, will not the assumption of more debts than we

owe disable us from doing our real creditors justice? and will they not have a right to complain of our conduct? But the merits, and amount of these debts, are both unascertained: It would argue a want of foresight, to adopt a measure wrapped up in uncertainty. We know there are commissioners appointed, and employed in the settlement of the accounts between the individual states and the United States; let us know first, from them, what balances are due to the respective states, before we undertake to assume them. I think these considerations alone, sufficient to induce us to suspend our determination for the present; but if we cannot pass it over regularly, and consistent with the rules of order, of which, by the by, I profess myself no judge, I hope it may be negatived.

Mr. LAWRENCE.

I view this, sir, as one of the most important subjects which can come before congress; I conceive that it requires all the investigation and consideration which reason and the most experienced judgment can bestow. I hope, therefore, that gentlemen are prepared to enter on the discussion with candor and moderation; and furnish their associates with all the light they can reflect upon the subject.

For my own part, after paying some attention to the measure, I must own, that I am at present in favor of assuming the state debts; I think I discover great advantages resulting therefrom. I believe it will be much easier, and more productive, for one body to draw forth the resource of the union, than it will be for many. Those resources must be drawn out for the particular purposes for which they are wanting; the debt of the general and particular government must be provided for, either by the general government, or part by the general government, and part by the particular state governments; for I apprehend, the creditors of the respective states, will think their state governments as much bound, in justice, to satisfy their claims, as the creditors of the general government think the United states bound to satisfy their's. Therefore, it seems to follow, if the general government does not make provision for both, that they must leave some of the resources for the satisfaction of that part for which they themselves decline to make provision. Supposing the whole must be satisfied, I am led to conclude it might be done with greater ease, less expence, and more facility, if it was all

provided for under one general system. This is my general idea; and I am convinced, the more it is examined, the more it will be found beneficial to the union.

It is well known, that particular states are in the exercise of deriving revenue from excise, for the satisfaction of particular creditors; and that part of the secretary's plan contemplates the excise, as a branch of revenue whereby to provide for the domestic debt of the United States. Perhaps, and it is highly probable, that the excise may be laid by both on the same articles; if they both go on, there will be such clashing, and confusion, such prejudice, and loss of revenue, that the product cannot be relied on by either; but if the debts are assumed, we can have the whole of these funds; and there is no doubt but they will be fully adequate, in this way, to the purpose for which they are wanted.

The objections made by the gentleman from New-Hampshire, may be easily obviated. He has mentioned that we know nothing of the state or amount of this debt. The secretary of the treasury, from authentic accounts, in many instances, and from well grounded conjectures in others, has ascertained that all the claims of individuals, upon the several states, does not exceed 25 millions of dollars; hence, here is some certainty as to the extent of the debt; but if there is any objection on this ground, congress may bind them to that amount, that they shall not go further.

He further objected, that it was improper to assume these debts, because we do not know the merits of the particular claimants. We must have some confidence on this subject, and suppose that when the particular states settled, liquidated, and admitted a debt, that they did not admit improper ones; the states having admitted them is our security; the merit was proved to their satisfaction, and no doubt will be to ours, provided we think proper to assume them.

He says there has been no application made to congress, by either states or individual creditors of states. But this, sir, is no reason against the assumption. If we view it as a measure beneficial to the true interest of the United States, we are at liberty to adopt it without any such application; I imagine it will be beneficial to the state claimants; and it is unnecessary to wait for an application from them, to induce us to do what will be

conducive to their interest. They will be better satisfied under a general regulation, that will exhibit full and permanent provision, than they can be under partial state regulations. I believe there is no occasion to wait until the particular states make application, because the claims we are to assume, are those of individuals, against the states; and if they mean to subscribe their claims, the states cannot interfere, it is the property of the creditor, and he may do with it what he pleases; if they chuse to transform their debt into a continental debt, what has a state to do with the transaction?

The gentleman has also intimated, that if we assume the state debts, we shall embarrass the operations of the general government, with respect to the domestic creditors, but if we do not assume these debts, I think the creditors of the general government will have a right to complain. For the interference and clashing of thirteen collections, will, in all probability, occasion a deficiency in every one; the certainty of drawing any given sum from a fund thus circumstanced, is not to be relied on; will it not be injurious to the creditors of the union to have the revenue that is to pay them their interest totally precarious? Will not their principal be diminished in full proportion?

The gentleman has admitted, that on the final adjustment of accounts, we ought to assume the balances, I suppose, if the states are not able to pay them; but I presume the settlement of accounts makes no alteration on this point. If the debts are now assumed, it will reduce those balances, if they are not assumed till after settlement, the balances will be greater. If it is proper to assume at any stage, why not assume at the first stage, when we are certain that the measure is founded in justice, and can be executed with convenience to all parties? Hence I am led to hope that the committee will ultimately adopt the resolution, though I am not anxious to hurry on a decision until the subject is well examined. I shall hear the observations of gentlemen with pleasure.

Mr. LIVERMORE

Begged to explain one word: What he had said with relation to the merits of the debt, did not apply to the individuals, it referred to the nature of the debt, such as whether it was contracted for general or particular defence, or for local and state purposes, with which other states had

nothing to do. He supposed there was all this and more variety to be found in the state debts.

Mr. AMES

Expressed great regard for the candor of the committee in proceeding to discuss a subject which some gentlemen considered as of the first importance. He presumed from it, and the consideration gave him the highest gratification, that they were disposed to persevere in that line of conduct toward each other which had hitherto so notoriously contributed to preserve that harmony in their discussions and decisions which had hitherto prevailed.

He begged permission to state one or two reasons why the committee ought to proceed in the way they were in, which he was sure would not be considered as altogether foreign. I presume, said he, in the first place, that it is pursuing the civil order of things; that is, we consider what is to be done before we consider how it shall be done. It is perfectly natural to ascertain what the debt is before we declare how it shall be paid. I can hardly contemplate a change in the order of proceeding, without incurring confusion.

But there is another consideration: The manner in which the provision shall be made for the discharge of the annual interest, will, in a great measure, depend on the decision of this question; because, if the committee determine that they will assume the state debts, they may proceed without paying much regard to the existing and otherwise interfering revenue laws of the several states. They would then have a clear stage, and might fit it up as they judged most convenient. They might lay such duties as they supposed were most likely to be successfully collected. But if we do not assume them, it will then be worthy of enquiry, how far we are to regard the present laws of the states respecting excise? Whether we are content to take the residue of what is left after the state collection? This will also lead to the discussion of an invidious question between the pre-emption right of the state and of the United States, and the superiority of the general and particular creditors.

By pursuing order, we shall, I trust, come to satisfactory conclusions upon every proposition. The resolutions are simple; they do not enter too much into detail; nor are they expressed in too compact a manner. By their simplicity they are capable of fair discussion; it is what the honorable mover intended, and what I hope they will receive.

There is one other remark I would suggest ; but then I would have gentlemen observe that I barely suggest it ;—Perhaps if we do not assume the debts contemplated by the secretary, we have no right to assume the funds ; if we break into his general arrangement, the system is disordered, and can hardly be again connected so as to preserve its symmetry, or give it efficacy.

Mr. SHERMAN.

If we can make provision for these debts, it will be a desirable object to assume them ; it will, at the same time, ease the states of a very great burthen, and put all ranks of creditors on the same footing ; and this last will have an effect to prevent speculation, inasmuch as there will be but one uniform object for men to trade in ; there will be no difficult variety in the nature of stock. But, at the same time, I think the debts to be assumed, ought to consist of those only which were incurred for common or particular defence during the last war ; and not those debts which a state may have incurred for the support of its government, the protection and encouragement of its manufactures, or for amending and opening highways—clearing the obstructions in the navigation of rivers—or any other local purpose, undertaken merely for the benefit of one or two states.

I have no objection to agreeing to the general proposition at this time ; but I am not quite so well satisfied with respect to the time when the provision ought to be made for paying the interest thereon ; but as that matter is not immediately before the committee, I shall not touch upon it at present.

Mr. STONE.

A strong binding force, exterior or interior, is supposed essentially necessary to keep together a government like ours ; and of all the bands of political connection, perhaps there is none stronger than that which is formed by a uniform, compact, and efficacious chain or system of revenue. A greater thought could not be conceived by man ; and its effect, I venture to predict, if adopted by us, and carried into execution, will prove to the federal government walls of adamant, impregnable to any attempt upon its fabric or operations : I have viewed it with some degree of attention, and I see the subject rise into gigantic height.

I am inclined, sir, from the view I have taken, to believe that the measure is not founded in injustice ; because it is an advance of credit by the United States, which the indi-

vidual states are in future to compensate: And altho' the individual states may have gone into enormous expences on account of their civil government, yet it does not appear that it will operate injustice on that account; because I suppose that the states will not have credit in a future settlement for any thing but their exertions during the war. Those who have made the greatest exertions will have the greatest credit; therefore, we are to suppose, that justice, in the end, will be done to all parties.

It is also very clear to me that the United States will collect the revenue arising from the proposed funds, and pay it over to the public creditor, with more ease, and less expence, under a uniform system, than could be done by the various and different regulations of the several states; but, in proportion as these reasons are cogently impressed on my mind, the objection rises the stronger to the whole system; for, in my opinion, it ought to be defended, with this point granted, that a general government is of advantage to the people of the United States.

I shall detain the committee a very little while in examining how far the proposed scheme is connected with that idea. I think, sir, wherever the property is, there will be the power: And if the general government has the payment of all the debts, it must, of course, have all the revenue; if it possesses the whole revenue, it is equal, in other words, to the whole power; the different states will then have little to do; important talents will not be necessary to be employed in the administration of the state governments; if they are not found to be necessary, the fair presumption is, they will not be employed. Men of consequence, and great abilities, will hardly go into a legislature where their usefulness is circumscribed to trifling or uninteresting points. What is likely to be the effect of this? I presume, that hereafter the legislatures of particular states will be composed of men who hold their talents at a cheaper rate. The same principle will operate throughout the whole routine of state business; the legislative, executive, and judicial; and the operations of the government will partake of the weakness and imbecility of its administration. In proportion as the state governments decline in consequence, men will look up to the general government; and in proportion as they decline in their importance, so will the federal government rise in consequence. It has been very doubtful whether there can be a confederated government where the laws are to operate on individuals, and not on

states : Indeed it has been a doubt whether a confederated government remains, when the general government possesses the power of the purse ; and whether that circumstance does not swallow up the idea of an absolute existence of a state government. I believe the truth of this will be demonstrated by recourse to historic facts. Every confederated republic which has given the superintending body the power of the purse, has found every effort of the individual states insufficient to keep the compression of that band from holding them tightly together ; neither exterior nor interior force has yet been able to separate the parts of a government formed on this principle : Hence, sir, I am lead to believe, that if the whole revenue of the several states is taken into the power of congress, that it will prove a band to draw us so close together as not to leave the smallest interstice of separation.

There is another consequence which seems to result from this plan, with which my mind does not accord ; it is this—That one class of men in the United States are about to bear the whole expence of the late war—and that class is the consumers of foreign articles. This is strictly true, if we except a very trifling revenue indeed, derived from the writers of post letters ; and, perhaps, as trifling a one from the excise on the spirits distilled in the United States. Now, it appears to me, that the consumers of imported articles are not the only persons in the community who draw advantages from the late revolution, or from the adoption of this efficient government ; therefore, we ought, as far as we can ascertain, endeavor to lay the burthen equally as possible upon the whole community.

I know that laying a duty on imports, to a certain extent, is one of the easiest modes of raising revenue ; and that, in general, it will operate most equally ; but it does not follow that because it is the easiest to a certain extent, we are, therefore, to relinquish every other species of taxation, and lay the burthen of the revolution on one class of citizens alone.

There is another observation that I mean to make : It does not appear to me that the debts of the particular states are the debts of the United States ; state debts, and debts of the United States, are hardly convertible terms ; and I question very much whether it is strictly within our constitutional power to levy taxes and collect duties, except it be to pay the debts of the United States. Will it be admitted, that congress can adopt any debts they think proper, whe-

they come within the idea of being debts contracted for the purposes of the confederation or not? The object expressed in the constitution is simply to pay the debts of the United States. Can congress, by their own authority, saddle the union with a debt of this magnitude, independent of the particular powers they derive from the constitution, and then justify the collection of taxes under the general powers of the constitution? Suppose the United States were to levy a large sum in taxes, without an object, would this exercise of authority be within the defined powers of the constitution? Would it be right to say, that we shall hereafter be largely in debt, but we are not yet so; and, therefore, we must collect a great quantity of revenue? The scheme of the secretary proposes either this very thing, or something extremely analogous; the state debts, which we are to provide for, are not the debts of the United States, and possibly may never be.

If this is granted to be a principle of our constitution, it may be a dangerous one. If congress say they want money for some purpose which they conceive to be salutary to the United States, but which, at the same time, is not a constitutional object of their power, have they a right to levy duties for such purpose? And if they have, where is the limit to which they may go? Or where is the boundary by which they are restrained?

Before this scheme is adopted, it is my opinion that the sense of the several states, and the individual creditors, ought to be obtained: I think material disadvantages may arise unless they are. There are a variety of debts in the several states; their extent is as different as the provision made for their security. The credit of the states is materially different; perhaps in consequence of the amount of their debts, and the means of payment; not, however, that this is uniformly the case. The value of the debts of the state of Maryland may be different from that of the debts of New-York and Pennsylvania. I believe, in Maryland, the funds appropriated for the payment of the state debt, are neither so ample, or punctually paid as funds provided by Virginia or Pennsylvania, the two adjoining states, for the payment of their debts; yet the paper securities of Maryland sell, in market, for twice the sum that the securities of either of those states. I suppose the paper must be rated at what it sells for in the market; and when men are asked to make their election as to which they will prefer, they will forego what brings least, and accept of what contributes most; they

will be governed by the market price of the several kinds of stock ;—then, I infer from hence, that there may be a partial adoption of the scheme by the several states, and individual creditors of the states. It would be well to examine the consequences of such an event. I believe the committee will have no doubt in assenting to this proposition :— That whenever the faith of a nation is pledged to pay its just debts, it must perform that promise with good will and alacrity. We have sufficient proof of this by the speedy adoption of several resolutions on this head by this very body. But let us suppose, sir, that the individual creditors of Pennsylvania or Maryland refuse to adopt your plan, and the state refuses to notice it ; or that the majority of the creditors of those states refuse to subscribe to your loan, one of two consequences must arise ; either a great part of the United States, having agreed to adopt the plan of congress, will remit in their exertions to pay their state creditors, and, by that means, force the remaining creditors into a compliance with the terms of the scheme ; or the states where the creditors do not subscribe, will be forced to levy taxes for their individual creditors, and contribute, at the same time, to pay the debts thus assumed. Suppose the state of Massachusetts is pleased with the scheme, and thinks it right, but its creditors do not subscribe, will she go on and levy taxes to discharge the debt ? Suppose the creditors of Maryland should refuse to subscribe, and Maryland disagree to the scheme : Suppose a majority of the creditors and states should reject the scheme, and it fail, then the states who were in favor of adopting it would have to begin to tax again, having lost all this time : Suppose a majority of the states were to adopt the scheme, and a state and its citizens refuse, then this state must pay as much, by external taxes, as congress are able to collect, and by internal taxes, as the state is able to obtain ; all this they must bear without the consolation of thinking it equal. Such a situation must involve this country in serious circumstances. A state thus circumstanced would bear its burthen with great pain, and very great impatience.

Suppose an individual creditor, in any state, should refuse to subscribe to the continental loan : The state must go on with its process of taxation, to collect the money for this unsubscribed part ; here the expence of taxation would be equal to what it is at present ; but its relative proportion, with the sum raised, would be increased much to the dissatisfaction of the citizens. In this

case, that ease in taxation, which has been contemplated would not take effect.

These are the reflections which have arisen in my mind, and really I did not think that we should have got so far on with this business by this time ; we have been expeditious indeed ; it will not be doubted that we are wise politicians, yet, it must be granted, we are bold ones : We have, without the assistance of any part of the community, except an officer of government, and the information we have obtained from each other, adopted resolutions, affecting the dearest interests of the people, without affording them an opportunity of letting us know their sentiments : Shall we go on to new model all the revenues throughout the United States, to alter the disposition of every states scheme of finance, without consulting them ; giving cause of chagrin to the state creditors, and of alarm, to our constituents, and their state governments generally ? It appears to me to be a hazardous thing.

I will make one observation more, which the last has suggested. The community might have adopted, willingly, had they been consulted ; a measure, which they may object to, and oppose, if decided upon without their knowledge.

I don't see, nor has it been proved to the satisfaction of my mind, that there is any occasion for using expedition in completing any part of the funding plan ; I have not changed that sentiment, which I mentioned in the beginning. If we lay and collect taxes, we shall be in a situation to pay our debts ; but a funding scheme will not make us a farthing the richer, however elevated on the scale of nations it may make us appear. We often adopt propositions with the firmest reliance on their truth and propriety ; yet, some thought and communication, with a little experience, will induce us to wonder how we ever could have conceived them right.

These are the suggestions of my mind, so far as I have examined the subject, and it appears to be a step which we cannot take, at this time, with any prospect of advantage.

Mr. CLYMER

That although the assumption of the state debts appeared to him a measure of a federal complexion, and necessary to

the preservation of the union, yet it required, perhaps, considerable caution. At present no very important objection occurred to him against it: Those mentioned by the gentleman from Maryland, he thought, admitted of an easy answer; they were principally—

That we were required to assume the unauthorized, as well as the authorized state debts; which never could be a charge against the United States:

That it would be difficult to find the means of satisfying both the federal and state debts consolidated: And

That if the power of providing for their own debts was taken from the states, they would be brought to too great a dependency on the United States.

To the first he answered, that what we assumed of the unauthorized debts of the states, would be sufficiently covered in the gross demand which they all would have against the United States, when their accounts should be finally made up.

To the second he answered, that congress could not assume the state debts without assuming, at the same time, those very means which otherwise the states would employ in extinguishing their debts, were they left on their own hand; and that, in this case, it would be as easy to satisfy both species of debt as one.

On the third objection he observed, that if a condition of absolute dependency on the general government was to follow this measure, it would be only the anticipation of a necessary event: For, on the final settlement of accounts, whatever debts were then due to the states, must be assumed, and in like manner provided for by congress, in taking the taxation out of the hands of the states. Other objections, and perhaps material, might occur; but he saw none at that time that militated forcibly against the measure.

Mr. SHERMAN.

It appears to me, that the objections of the gentleman from Maryland, are not sufficient to prevent our adoption of this proposition. His first objection is, that it will give a greater degree of importance to the general government, while it will lessen the consequence of the state governments: Now, I don't believe it will have that effect; I consider both governments as standing on the broad basis of the people, they were both instituted by them, for their general and particular good. The representatives in congress draw their authority from the

same source as the state legislatures, they are both of them elected by the people at large ; the one to manage their national concerns, and the other their domestic, which they find can be better done, by being divided into lesser communities, than the whole union ; but to effect the greater concerns, they have confederated ; therefore, every thing which strengthens the federal government, and enables it to answer the end for which it was instituted, will be a desirable object with the people ; it is well known, we can extend our authority, no further than to the bounds the people have assigned : If we abuse this power, doubtless, the people will send others to correct our faults, or, if necessary, alter the system ; but we have every reason to believe the people will be pleased with it ; and none suppose that the state governments will object. They are the supreme power, within their own jurisdiction, and they will have authority over the states, in all cases, not given to the general government, notwithstanding the assumption of the state debts. If it was a question, between two different countries, and we were going to give the British parliament power, by assuming our debts, of levying what taxes they thought proper, and the people of America were to have no voice in the appointment of the officers, who were to administer the affairs of the government, the experiment would be dangerous to this country ; but as the business is to be conducted by ourselves, there can be no ground for apprehension. The people of the United States are like masters, prescribing to their servants the several branches of business they would have each perform : It would not comport with their interest if the federal government was to interfere with the government of particular states ; while, on the other hand, it would injure their interests to restrict the general government from performing what the federal constitution allows them. It is the interest of each and of the whole, that they both should be supported within their proper limits.

Another objection is, that we are to pay the whole by imposts, and that this mode will be unequal : I apprehend this is not well founded ; because the consumers of imported goods, comprises all the inhabitants of the United States, and the consumption is, in a great degree, proportioned to the abilities of the citizen. The rich

man, with his dependents, consumes more; there is more waste too in such a family, than in the œconomy and frugality of the poor: If this is the fact, the rich contribute revenue in a proportion, and of consequence, the burthen of the tax is born generally and equally, by those who derive benefit from the late revolution.

Another objection is, that we are not authoris'd by the constitution to assume the state debts. By the confederation, congress were authoris'd to raise money; but not being able to effect this, in an immediate and direct manner, they did it mediately, through the intervention of the state governments; so that, in fact, these debts are to be looked upon as the absolute debts of the union; however, I should have no objection to qualify the mode of expressing our opinion, in such way as to confine the assumption to those debts alone which were contracted by the states for the common defence. Those debts, as was observed by the gentleman from Pennsylvania, will ultimately be assumed, and it is as well to be charged with them, in the first instance, especially if doing so, in the first instance, will promote the general good.

Another objection is, that the debts of the states are of different value. I take it, sir, that no debt will be assumed, but what is liquidated and reduced to specie value, and, although we differ in nominal accounts, yet a dollar is every where equal: As to the inequality of the market rate, it may have been occasioned by some states not having made equal provision for their debts, when compared to the provision of other states; but as the debts are all equally meritorious, an equality of provision ought to be made. That some creditors have hitherto suffered, is no reason why they should continue to suffer; so I can see no weight in this objection. But he supposes that some creditors will prefer holding the state for their money, rather than the United States; if it should be the case, it will make no difference on the final settlement, because the states will only be debited for that part of the debt which their creditors had subscribed into the general fund. But I see no good reason for supposing that the creditors of the states will refuse to subscribe. They have an election, it is true, but the terms must appear to them so advantageous, considering all things, as to induce them to accept the plan.

I have no difficulty, in my mind, respecting the assump-

tion ; but as to the time of doing it, I am not so well satisfied. I have not a doubt of our ability, because if the whole debt must be paid by the joint efforts of the state and general governments, the same money may be raised, with greater ease, by the general government alone; this point being conceded, I shall add nothing further at this time.

Mr. BURKE

Flattered himself with an expectation of obtaining the assistance of his friends in enabling him to make up his mind on the present question ; but, hitherto, he had been unable to receive any communications from that quarter : If he erred, in the opinion he entertained at present, he hoped it would be attributed to the true cause, want of sufficient information to make up his judgment, and not a desire to protract a business, perhaps, intended for the public good.

The state I belong to, has a large debt which they have contracted in their exertions for the common cause ; this I think congress ought to take upon themselves : That state was a continued scene of action for several years : In 1775, the tories broke out, and the state struggled to suppress them ; in 1776, the Cherokee Indians, and the British, attacked us in front and rear, as if by agreement, both on one day. The British fleet and army assaulted Sullivan's island, and received a total defeat ; was not the United States benefited as much by that victory as the state of South-Carolina ? To be sure they were : It was fighting for their liberty and independence, as much as our own. In the year 1778, the war was brought to our door again, and again we defeated the enemy ; was not this fighting the battles of America ? The affair of the Black-swamp, the actions under Gates, the loss of Charleston, the exertions under Greene : Our debts were contracted for these purposes, and by our struggles with the enemy, whom we weakened, and finally overcame, we contributed to the establishment of the independence of America. To draw a distinction between the continental debt, and debts contracted in this manner, is establishing a distinction without deference : But notwithstanding I am well satisfied of the justice of the claim, I have my apprehension that we are running on too fast ; we ought to consider our ways and means, before we undertake a business of

this enormous magnitude. I am confident we do not know the consequence of this business, and therefore ought to weigh it well. If any gentleman will move a postponement of it, I will vote for that, because I wish not to be too precipitate. The political consequences, which may arise to the state governments, gives me some alarm, and that makes me still more desirous of the postponement.

Mr. GOODHUE.

The state from whence I came, was unincumbered with debt, before the late war, and now they are burthened with a very heavy one, which they acquired, in consequence of the advances they made, to enable the union to carry it on; the debts of this, and the other states, are, in every respect, of the same nature with those of the union; and must, like them, be paid: The present question then appears to me to be this; shall they be paid by the states, in their individual or collective capacity? The gentleman near me (mr. Burke) though he acknowledges the justice, seems afraid to assume them, lest the ways and means should prove inadequate; but he will find that the continental government is more able to draw out the resources of this country with effect, than the different state governments are, in their separate capacity.

In some states, the interest of their debt has been paid by the duties of impost and tonnage; the congress have taken those, and now it is in contemplation to take the excise also, which is the other fund employed to raise money to pay the state creditors: That being gone, for I suppose the two governments will avoid doubly taxing the same articles, the states must have recourse to direct taxation. I do not know how agreeable direct taxes are in some of the states; but we have tried it pretty fully in Massachusetts, and know what is likely to be its consequence: The late insurrection was occasioned by them. As Massachusetts cannot go to direct taxes without an unwarrantable risk, she must continue the operation of her excise laws; and here I mean to refer gentlemen's recollection to the situation of 1787; what was it gave rise to the late change in government? It was the interfering regulations of commerce, and the intercourse between states. It originated, if I mistake not, in the state of Virginia, in consequence of a varia-

tion in the regulations between her and Maryland. If such consequences as a change in the national government, have flowed from this cause, how careful ought we to be to avoid it in future; yet I do not see how this can be done, unless we embrace the state creditors in our provision; beside, the interference in the collection, may justly be feared to work the destruction of both; and the creditors of the union, in my opinion, will have greater security by this means, and consequently, be better satisfied to have the whole blended.

I presume, no gentleman can doubt but the debts of the states are as meritorious as those of the union. I believe, if there is any difference, it is in favor of the state debts; because, generally, the states were more economical in contracting, and generally received a more valuable consideration for their money than the United States. But without dwelling on this point, I contend, that where the resources go, the debts must follow.

Mr. FITZSIMONS.

The proposition before us, is no doubt a very important one, yet liable to some objections; but the one mentioned by the gentleman from South Carolina, (mr. Burke) is not of very considerable weight; he thinks we ought to go into the investigation of the ways and means before we adopt it. He should recollect, the secretary does not contemplate an immediate provision for this object; nothing is intended to be paid on this debt before the year 1792; nor even then, unless the creditors agree to subscribe upon the terms held out; we shall consequently have abundant time to know the disposition of the state creditors, and to obtain the requisite revenue.

A doubt has been suggested, whether there is a probability of obtaining the consent of the state creditors; we can only judge of this from the probability there is, that men can discover, and will pursue, their own interest; but there is reason from what the gentleman from Maryland (mr. Stone) has said, to believe this consent.

The value of the securities, he asserts, is different in the different states; and he stated it as a fact, that in Pennsylvania, although the interest of the state debt was well funded, and tolerably well paid, yet their securities never raised above 8s on the pound in the market; when he alledged, that the debt of Maryland sold for

twice that sum. I apprehend he must have included the interest due on them, which increased their value without adding any thing nominally to the certificates. Now, if securities well funded, with the interest regularly paid, have never risen to more than 8*s* in the pound, I suppose they will not encrease in price, when the funds upon which they were funded are taken away, and when even what remains will be rendered less certain by the interference of the general government; I mean the article of excise. I have no doubt, but under these circumstances the state creditors will subscribe with cheerfulness.

When the domestic debt is funded, the most productive revenues will be taken from the states, and the ability of the individual states to provide for the remainder will undoubtedly be lessened; in either case, the people will have to pay the whole interest. It is admitted that the United States can collect the revenue for the whole, as well as they can for the proportion for which they have engaged to provide, while the ability of the states is diminished, and there accrues a deficiency by the various operations of the state and general government; I apprehend, the state creditors must go unsatisfied, which would not be just with respect to them; because their debts are as much debts of merit, as the greater part of the debts of the United States. The evidences are generally in the hands of those who furnished supplies during the late war, and have not been transferred; having this just claim, they will contribute with great reluctance to the payment of the creditors of the United States, if they are unprovided for; they will view them with a jealous eye, as wresting from them what they have long been accustomed to consider as their own.

There is another argument, which I admit ought to have its weight; that is, the eventual operation of this system, and its immediate effects; I can answer for Pennsylvania, that it would be unfavorable to that state, because she has contributed her full proportion of the expence of the war, and has since redeemed more of her debt than any other state perhaps had the capacity to do; she owes but a small proportion of what the state debt is calculated to be, much less, I believe, than what the secretary has supposed; but if the debts are assumed, I believe more will be collected from the state in the additional duty, than the interest on the debt she owes. Her debt is supposed to be 2,200,000 dollars, on which she is paying an interest of six per cent; this amounts, to 132,000 dollars annually. The ag-

gregate of the state debts, is supposed to be 25 millions ; the proportion to be paid by Pennsylvania 1-7th, which, at 4 per cent, the rate proposed by the secretary, will amount to 143,000 dollars ; moreover, Pennsylvania will have to account eventually with the United States, for the premiums given to induce the reduction of interest ; so that in the end her contribution will be much larger than if she continued to pay her own creditors. I hope, however, whatever inequalities may arise, in the first instance, they will, on the final adjustment of accounts, be done away, and corrected ; retribution must at last be made, and it is under this idea that I agree to the proposition now before you.

There is another reason, which also induces me to agree to the assumption. Every gentleman must believe (when we consider the nature of the domestic debt, and the manner in which it was contracted) that by far the greatest part of it is in the hands of the citizens who reside near the centre of the union. If we confine our revenue to this part alone, we must draw considerable sums from the extremes of the union ; and what inducements do you hold out to the citizens at those extremities to co-operate with you in the faithful collection of money, to be sent out of their country ? On the other hand, as the greatest part of the state debts are owing, by the states at the extremity of the union, if they are assumed, the money which is collected in those parts, will be retained, in order to pay the interest due on their state debt ; by which means the beneficial effects of the funding system will be more generally and equally felt throughout every part of the union.

Mr. SMITH (S. C.)

I admit the importance of the present question, but I cannot permit myself to doubt but congress will decide it upon the common principles of honesty and justice. Nothing can appear to me to be more clear, than that a state debt being incurred in the common defence, should be made a common burthen ; we should consider ourselves as settling the affairs of a great family, and be studious to equalize the task necessary to be borne by every one.

My colleague has properly stated the great sufferings and hardships of the country from which we come ; but he might have added, that our state had it in her power

to discharge the debt she had incurred. The confiscated property would have brought into her treasury three-times the sum she owed; but in consequence of the recommendation of congress, they remitted the greatest part of the estates in that predicament: If, therefore, in consequence of an act of congress, the state disabled herself from discharging the debts she owed, it is the duty of congress to assist her now; but it was an adventitious thing that the state incurred the debt, because the demands were really against the continent; but the continent being unable to pay, and the state desirous of giving every assistance in her power, assumed those demands, and made herself liable to the payment; but now a government having taken place, possessed of sufficient resources, it ought to take back the debts really due by it, though assumed by the states for the support of the national credit. I conceive the situation of the state governments to be the same as if a person had accepted a bill for the honor of the drawer, to preserve his reputation, but with a design that the drawer should ultimately pay it. The demand of the creditor arose from services or supplies for continental purposes; but the state agreed to stand in the place of the continent, till the continent should be able to pay it. When it is examined, it will be found that a great part of the debt of South-Carolina was incurred in this manner: Our state debt is very considerable, in consequence, and every possible exertion has been made to reduce it, as well as to pay the interest. The state issued indents, in payment of the interest, making them receivable in payment of duties, this gave them a circulation, and kept up their value remarkably well; in 1784 and 1785, they depreciated only 12 or 13 per cent; but the distress of that state has been such, since that time, with the expence and ruin of the war, the great load of private debts, and some other causes, that these securities have amazingly depreciated; and last session of the legislature, such was the sense of their exhausted state, and of the obligation which congress lay under to assume the debts contracted for continental purposes, that they made no provision for them.

I wish to be indulged in a remark upon one observation. It seems to be admitted, by every gentleman, that ultimately this measure ought to take place; but some

say not at present: We have been told that a great part of the continental debt has been purchased up by the speculators, who will, by the funding system, reap all the profit, while the poor men, who were original creditors, are obliged to go unrewarded. If we postpone this business, I fear that the state debts will find their way into the same channel, and then, perhaps, we may have the same claim set up, for repaying to them the difference between the nominal value and what they may sell for. If gentlemen are desirous of putting a stop to speculation, assume the state debts, and the original holders may be induced to retain them in their hands.

The honorable gentleman from Maryland, (mr. Stone) has said a great deal about the states refusing to give their assent to the measure. I do not know what the states; as states, have to do in the business; beside, if I recollect right, that gentleman was opposed, at the last session, to admit of instructions from the people, or the states; why is he now so desirous of their advice? The creditor of the state, I presume, cannot be compelled to receive his money of the state, if he chuses to transfer it into other hands: If he thinks it best to apply to the continent for payment, the state cannot prevent him. He asks you likewise, what is to be done if an individual declines to subscribe? Is the state to go on and levy taxes to pay him? I answer no; let the state pay him his demand, and then stand in his shoes, and receive his demand from the continent.

He has said, we may be wise politicians, but we are bold ones for going on so fast, without further information than what we derive from the officers of government, and among ourselves: Sir, I believe it is a very good way to come at information, to attend to the debates on this floor; I conceive more information is to be obtained here, than in any other place in the United States. Gentlemen rise one by one, and give us their opinion of the sense of their constituents, and a narrative of facts, which throws sufficient light on our path, to guide us without waiting to acquire a broken and uncertain clue; but I have not seen any thing like hurry in this business: We have hitherto proceeded with great deliberation, and I presume it is not the wish of any honorable gentleman, to hurry on with boldness or rash-

ness to the decision of the present question : So that the charge of these honorable gentleman is totally unfounded.

Mr. GERRY

Thought the welfare of the community, in a high degree, involved in the present question; and, therefore, hoped it would be considered with attention, and decided upon the purest principles of justice and good policy.

It has been said, that congress have no power to assume the state debts ; this leads us to an enquiry of the power of congress, and by referring to the constitution, we find that congress are authorised to lay and collect taxes, &c. to pay the debts, and provide for the common defence, and general welfare of the United States. If congress have the power to pay debts, they have an implid right to examine what those debts are, and, if they have been contracted for the common defence, there is no doubt but they are the debts of the United States ; but supposing congress unauthorised by the powers cited, they are, by the general clause, giving to congress powers to make all laws necessary, and proper for carrying into execution all the powers of the constitution, or of any department or officer under it, fully authorised to judge of and determine the debts of the United States.

In order, then, to determine whether the debts of the states, are the debts of the United States, let us consider who are the holders of the state certificates. Some of the state creditors were officers and soldiers of the late army. The first army of the United States was raised, armed, and clothed by the states. The officers and soldiers thereof, have as strong a claim on your justice for the money due them, as those who were established at the close of the war. They will not acknowledge any difference, from their being enlisted by state, instead of continental authority ; yet that is the only distinction, for they were adopted by congress, formed into one army, fought the same battles, and shared in every hardship. Another part of the state creditors, consists of men who furnished supplies for the union during the late war. Most of them are of this class, and can any one, who recollects this circumstance, possibly imagine a difference between them, and what are called continental creditors ? Part of the state debts, were continental debts, assumed by the states on the earnest recommendations of

congress. And other parts were occasioned by the states having undertook, for their particular defence, expeditions against the common enemy, or having paid interest to their citizens on the continental debt.

Gentlemen who reflect on the nature of the state governments, must be satisfied that it is impossible they should have incurred such immense debts, on account of their civil lists and local institutions.

On the contrary, it must be admitted, that every state has, by taxes and duties, collected more than was sufficient to defray its own expences; the surplus has been invariably applied to the discharge of the interest, or extinguishment of the principal debt incurred during the late war for general defence. Hence, it must appear, that the debts now due, by any state, to its creditors, are less than the aggregate of her demands against the union. If, therefore, we assume the whole of their debts, we shall find they have still large demands against the union.

Let us suppose, as stated by the gentleman from Maryland, that some of the state creditors will subscribe to the loan, and that others will not; where is the force of the objection? Let the state receive of the general government interest for the unsubscribed part, and pay it to the non-subscribing creditors; but there is little doubt that every creditor will subscribe.

It was said the measure would raise the importance of the union, and tend to depress the states. If it had that tendency, I should oppose it; because I conceive that the constitutional balance between the union and states ought to be preserved. I view the constitutions of the United and individual states as forming a great political machine, in which the small wheels are as essential as the great; and if the former are deranged the system must be destroyed. I humbly conceive a contrary policy will have this effect; for, suppose the United States should refuse to assume the state debts, there is no doubt but congress can make provision for the punctual payment of the holders of continental certificates; but it is questionable whether the states can, each of them, make provision for their respective creditors; in case of their inability it will produce a clamor against them; the state creditors will have a high opinion of the honesty, integrity, and abilities of the general government, while they will entertain a contrary opinion with respect to

the state government. Every such creditor will exert himself to support the former, and join in the clamor against the latter; they would alledge that the state governments were expensive and unjust; and it appears to me that the enemies of the state governments would thus have a favorable opportunity, which their art and address would improve, to abolish the state constitutions. Should the national government be disposed to depress the state governments, I ask whether the states would not be better able to resist if they were clear of, than if encumbered with a debt? It is a common maxim, out of debt out of danger; but here gentlemen seem to reverse it, in debt out of danger; I cannot, therefore, agree with them.

I presume it is the wish of every gentleman to preserve the peace and harmony of the union, and submit to them, whether this effect is most likely to result from assuming or rejecting the state debts. If you reject the measure, you establish two contending parties, the continental creditors, and state creditors. The latter will oppose every measure of the general government, which they suppose is intended in prejudice of themselves, to promote the interest of the former. It will sow discord among the citizens of the union, tending to defeat the operation of both federal and state governments. From this I infer, that a regard to the interest of the continental creditors ought to induce us to agree to the assumption of the state debts; for the states, in making provision for their own creditors, will be induced to extend their excise, as the only means of raising revenue, to all those articles which the general government contemplates; hence will arise such clashing and interference as will involve both revenues in confusion, and defeat the collection. There is also a danger, that it might extend to injure the collection of impost; whereas, a uniformity in the excise system would make it more productive, and tend to encrease the impost also.

The gentleman seemed to express some apprehension that the state debts may not have been fairly liquidated. I should think, from a knowledge of the œconomy of the states, that they were more strictly liquidated than the federal debt. The creditors in Massachusetts, have had their accounts adjusted on as strict principles as could be adopted; and I suppose other states have acted in the same manner.

It was also said, that we were unacquainted with the ability of the union, and therefore it is improper to pledge

the public faith, for the payment of a debt which possibly may exceed that ability. I do not now, nor ever did despair of the ability of the United States, to pay their debts; our finances, to be sure, are deranged; but we are taking measures to extricate ourselves from the evils resulting from such a situation; we are not to be deterred from ascertaining the amount of what we owe, because we have not at present revenue to pay the whole interest. Under our present circumstances, it appears, from the secretary's report, that we are capable of paying 2-3ds of the interest; with increasing resources, and a gradual diminution of the capital, we may soon have it in our power to discharge the remainder. If we can now pay one half, or two-thirds, let us undertake it, and no more; because I would never subject this government to a failure in its engagements; when our abilities increase, we can undertake what we are at this moment unable to perform. The secretary goes on the principle of supporting the public contracts; he admits of no preference among the continental creditors; and I shall be opposed to the giving any advantage to the injury of the state creditors. It will not be reasonable that a state should give up her resources for paying the interest on her debt, until her creditors are put on an equal footing with the continental creditors; she requires this in justice, and asks for nothing further.

I have no objection to the fullest discussion of this proposition when before us; but I think the present is not the proper time to consider it.

Mr. LAWRENCE. Much has already been said on this subject; but much yet, in my opinion, remains to be said; and, as the usual hour of adjournment has arrived, I will move you, sir, that the committee rise.

Whereupon, the committee rose, and the house adjourned.

[Not having room, in this volume, to complete the arguments on the proposition for assuming the state debts, the reader is referred to the 4th volume for the remainder.]

END OF THE THIRD VOLUME.

I N D E X

TO THE CONGRESSIONAL REGISTER.

VOLUME III.

A **BSTRACT** of state debts, with interest due 78. Address from the people called Quakers on the slave-trade 309. Annuity calculations 90. Ditto 91.

Ames, mr. on the report of the secretary of the treasury 12. On referring the petition of J. Wait 187. On postponing the report of the secretary of the treasury 188. On remitting fines and forfeitures 233. On ditto 235. On the report of the secretary of the treasury 271. On discrimination between the public creditors 354. Further observations on the same subject 488.

B

Baldwin, mr. on the sale of land to H. W. Dobbyn 125. On the slave-trade 319. On committing the address of the people called Quakers 333.

Benfon, mr. on the secretary of the treasury's report 13. On discrimination between the public creditors 423. On funding indents 468. On ditto 469.

Bland, mr. on the secretary of the treasury's report 259. On ditto 260. On ditto 263. On committing the petitions respecting the slave-trade 339. Against a discrimination be-

tween the original and assigned holder of public securities 443. Ditto 445.

Boudinot, mr. on the alteration of the journal 9. On the report of the secretary of the treasury 12. On the address to the president 14. On committing the petition of C. Saddler 17. On the address to the president 26. On the unfinished business of last session 106. On the admission of short-hand writers within the bar of the house 110. On providing for ambassadors 118. On the petition of C. Saddler 120. On selling land to H. W. Dobbyn 123. On allowing compensation to foreign ministers 182. On postponing the secretary of the treasury's report 190. On ditto 197. On the naturalization bill 220. On the report of the secretary of the treasury 242. On ditto 266. On ditto 279. On liquidating the domestic debt 293. On the slave-trade 317. On ditto 320. On a composition between the original and present holders of certificates 327. On committing the Quaker's petition 338. On discrimination between the public creditors 386. On ditto 455.

Burke, mr. on admitting short-hand writers to a seat within the bar of the house 111. Introduces the subject of copy-right 170. On the naturalization bill 220. On ditto 225. On ditto 228. On remitting fines and forfeitures 234. On ditto 235. On the enumeration of the inhabitants of the United States 240. On liquidating the domestic debt 284. Moves a discrimination between the public creditors 308. On the address of the Quakers 313. Withdraws his motion for discrimination 321. Observations on a discrimination between the public creditors 451.

C

Chaplains ordered to be appointed 5. Continental domestic debt 74. Continental domestic debt, interest due thereon 76.

Clymer, mr. on the secretary of treasury's report 12. On the business of last session being taken up 21. On the address to the president 26. On the unfinished business of last session 130. On the naturalization bill 224. On ditto 228. On the slave-trade 320. On funding indents 467. On assuming the state debts 480.

D

Debate on altering the journals of the house 9. On entering a call of the house 10. On receiving the report of the secretary of the treasury 12. On an address to the president 14. On C. Saddler's petition 17. On the manner of taking up the business of last session *ibid.*

On the address to the president of the United States 25. On the manner of proceeding on the unfinished business of last session 104. On the provision to be made for ambassadors 113. On selling land to H. W. Dobbyn 121. On the unfinished business of last session 128. On ditto 169. On the bill providing pay for ambassadors 172. The same subject resumed 181. On referring J. Wait's petition 187. On postponing the secretary of the treasury's report 188. On a bankrupt law 204. On the enumeration bill 205. On the naturalization bill 208. On the same subject 221. On remitting fines and forfeitures 233. On the census bill 239. On the report of the secretary of the treasury 241. On the same 253. On do. resumed 285. On the address of the Quakers 310. On committing the address of the people called Quakers 330. On discrimination between the public creditors 340. On providing funds 457. On funding indents 460. On assuming the state debts 470.

E

Estimate of the expenditures of the civil list 93. Do. of the product of the funds 102.

F

Fitzsimons, mr. on the report of the post-master general 166. On remitting fines and forfeitures 235. On the report of the secretary of the treasury 250. On ditto *ibid.* On ditto 260. On ditto 277. On re-liquidating the domestic

debt 282. On permanent funds 458. On funding indents 461. On ditto 465. On ditto 467. On assuming the state debt 486.

G

Gerry, mr. on the secretary of the treasury's report 13. On postponing the report of the secretary of the treasury 194. On ditto 200. On committing the Quakers address 317. On ditto 337. On discrimination between the public creditors 434. Against funding the indents in the state treasuries 458. Further argument on the same subject 460. Additional observations 461. Ditto 463. Ditto 466. Ditto 468. Ditto 469. On assuming the state debts 491.

Goodhue, mr. on the petition of C. Saddler being committed 17. On the mode of taking up the business of last session *ibid.* On the same 18. On ditto 21. On the naturalization bill 221. On remitting fines and forfeitures 233. On the report of the secretary of the treasury 277. On assuming the state debts 485.

H

Hartley, mr. on the unfinished business of last session 104. On ditto 105. On the same subject 170. On postponing the report of the secretary of the treasury 193. On the bankrupt law 204. On the naturalization bill 209. On ditto 213. On ditto 230. On liquidating the domestic debt 289. On the slave-trade 310. On ditto 314.

VOL. III.

Hejfler, mr. observations on a discrimination between the public creditors 457. On funding indents 469. On do. 470.

Huntington, mr. on providing pay for ambassadors 174. On the naturalization bill 224. On the slave-trade 319. On funding indents 468.

J

Jackson, mr. on the provision to be made for ambassadors 115. On ditto 117. On the unfinished business of last session 169. On allowing compensation to persons employed in the intercourse between the United States and foreign nation 181. On ditto 184. On postponing the report of the secretary of treasury 189. On ditto 191. On the same 196. On the naturalization bill 215. On ditto 222. On ditto 224. On ditto 226. On the enumeration bill 231. On ditto 232. On ditto 240. On the report of the secretary of the treasury 253. On ditto 254. On ditto 259. On ditto 271. On liquidating the domestic debt 283. On ditto 296. On ditto 304. On the slave-trade 311. On ditto 315. On committing the address of the people called Quakers 332.

Journals, a committee to examine the 5.

L

Lawrance, mr. on entering a call of the house 10. On the petition of C. Saddler 17. On taking up the business of last session 22. On the address to

the president 27. On providing pay for ambassadors 175. On ditto 176. On the same subject 185. On referring J. Wait's petition 188. On the naturalization bill 211. On ditto 217. On the same 223. On the enumeration bill 232. On remitting fines and forfeitures 234. On the secretary of the treasury's report 268. On the slave-trade 314. On committing the address of the people called Quakers 334. On discrimination between the public creditors 343. Further observations on the same subject 444. On funding indents 462. On ditto 464. On ditto 469. On assuming the state debts 471.

Lee, mr. on the mode of taking up the business of last session 18. On providing for ambassadors 114. On ditto 117. On the sale of land to H. W. Dobbyn 124. On ditto 126. On the unfinished business of last session 128. On ditto 130. On ditto 131. On providing pay for ambassadors 172. On discrimination between the public creditors 423. On appropriating the Western Territory to pay the indents 459. On assuming the state debts 470.

Livermore, mr. on the mode of taking up the business of last session 20. On ditto 23. On the unfinished business of last session 131. On the enumeration bill 168. On referring the petition of J. Wait 187. On the enumeration

bill 205. On the naturalization bill 230. On the report of the secretary of the treasury 241. On ditto 260. On ditto 273. On ditto 278. Observations on making a discrimination between the public creditors 449. On funding indents 465. On assuming the state debts 470. Explanation on the same 473.

M

Madison, mr. on the enumeration bill 167. On providing pay for ambassadors 179. On the enumeration bill 206. On the naturalization bill 212. On ditto 218. On the census bill 240. On the address of the Quakers 312. On ditto 318. On making a composition between the original and present holders of certificates 321. Moves for that purpose 326. On committing the Quakers petition 337. On discrimination between the public creditors 412. Further observations on the same subject 449. Additional remarks on the same 454. Ditto 455. On funding indents 463.

Members, a list of 3. Message from the senate.

N

Notification that Maryland has adopted the amendments to the constitution 167.

O

Observations on the admission of short-hand writers within the bar of the house 108. On the enumeration bill 167.

P

Page, mr. on altering the

journal of the house of representatives 9. On entering a call of the house 10. On taking up the business of last session 18. On ditto 22. On the address to the president 27. On ditto 28. On the unfinished business of last session 106. On admitting short-hand writers to a seat within the bar of the house 108. On ditto 110. On providing for ambassadors 114. On ditto 116. On selling land to H. W. Dobbyn 124. On the unfinished business of last session 128. On the report of the post-master general 157. On postponing the secretary of the treasury's report 198. On ditto 199. On the enumeration bill 207. On the naturalization bill 210. On ditto 216. On ditto 225. On the report of the secretary of the treasury 263. On the Quakers address 318. On committing the address of the people called Quakers 336. On discrimination between the public creditors 384. Further observations on the same subject 455.

Parker, mr. on the slave-trade 311.

Partridge, mr. on entering a call of the house of representatives 10. On the manner of taking up the business of last session 21. On the provision to be made ambassadors 118.

Petitions and memorials from C. Saddler 14. From Montgomery and Owens 104. From J. Hubbs 112. From H. W. Dobbyn *ibid.* From J. Ryan

113. From N. Fuller *ibid.* From J. Holbrook *ibid.* From R. Roberts *ibid.* From B. Bird *ibid.* From C. Hoffman 121. From F. Miller 131. From J. Price 167. From G. Allen *ibid.* From L. Lincoln 171. From the president and fellows of Yale college 186. From J. Wait *ibid.* From A. Putnam 202. From R. Alden *ibid.* From W. Hassel 205. From W. Decker 208. From J. Henderson 232. From J. Carnes *ibid.* From Robert Morris 236. From sundry inhabitants of Salem 239. From brigadier gen. Donald Campbell 253. From the contractors for carrying the mail thro' New-Jersey 253. From R. Morris, ordered to be entered on the journals 284. From the people called Quakers on the slave-trade 309. From the Pennsylvania abolition society 328. From H. Treat and J. Stone 339.

President, a letter from 5. President, a committee to wait on *ibid.* President, the report of the committee to wait on *ibid.* President, speech of 6. President, message from, containing the ratification of the constitution by the state of N. Carolina 23. President, address to 25. President, reply of, to the address 30. President, committee appointed on the speech of, 107.

R

Reports—The unfinished business of the last session, report of 15. Of the secretary of the

treasury on the means of promoting and establishing public credit 30. Of the secretary of the treasury on the petition of C. Saddler 119. Of H. Knox, secretary at war, containing a plan for the regulation of the militia 132. Of Samuel Osgood post-master general 157.

Rhode-Island, a convention called by 201.

Rules of the house altered 29.

S

Scott, mr. on selling land to H. W. Dobbyn 121. On do. *ibid.* On providing pay for ambassadors 179. On allowing compensation to foreign ministers 183. On remitting fines and forfeitures 235. On the secretary of the treasury's report 264. On do. 277. On liquidating the domestic debt 285. On do. 295. On committing the address of the people called Quakers 331. On discrimination between the public creditors 425.

Sedgwick, mr. on the unfinished business of the last session 106. On making provision for ambassadors 113. On do. 114. On the same 115. On selling lands to H. W. Dobbyn 123. On do. 126. On the unfinished business of last session 128. On providing pay for ambassadors 174. On do. 175. On the same 185. On postponing the secretary of the treasury's report 193. Moves to regulate exports 202. On the bankrupt law 202. On the enumeration bill 206. On the

naturalization bill 219. On do. 230. On taking the census of the inhabitants of the United States 231. On remitting fines and forfeitures 234. On taking the census of the inhabitants of the United States 239. On do. 241. On liquidating the state debt 284. On do. 291. On do. 295. On the slave-trade 316. On discrimination between the public creditors 340. On funding indents 468. On assuming the state debts 470.

Seney, mr. on postponing the report of the secretary of the treasury 199. On ditto 200. On the naturalization bill 226. On committing the address of the people called Quakers 331. On discrimination between the public creditors 430.

Sherman, mr. on altering the journal of the house 9. On the mode of taking up the business of last session 19. On do. 22. On providing for ambassadors 116. on selling land to H. W. Dobbyn 125. On providing pay for ambassadors 177. On postponing the secretary of the treasury's report 192. On the naturalization bill 210. On the secretary of the treasury's report 257. On do. 275. On the slave-trade 311. On do. 317. On committing the address of the people called Quakers 332. On funding indents 463. On do. 470. On assuming the state debts 475. On do. 481.

Smith, mr. (of S. C.) on an address to the president 14. On

the manner of taking up the business of last session 18. On do. 20. On do. 22. On do. 27. On the address to the president 27. On short-hand writers being admitted to a seat within the bar of the house 110. On providing for ambassadors 113. On do. 115. On the sale of land to H. W. Dobbyn 121. On the unfinished business of last session 129. On providing for ambassadors 172. On do. 178. On the same subject 184. On the bankrupt law 204. On the naturalization bill 212. On do. 219. On the same subject 221. On do. 225. On do. 227. On the census bill 231. On do. 232. On remitting fines and forfeitures 234. On the report of the secretary of the treasury 241. On do. 258. On the liquidation of the domestic debt 299. On the address of the Quakers 311. On do. 316. On committing the address of the people called Quakers 334. On same subject 338. On discrimination between the public creditors 347. On assuming the state debts 488.

Stone, mr. on the petition of C. Saddler, as reported upon by the secretary of the treasury 120. On selling land to H. W. Dobbyn 122. On do. 124. On the unfinished business of last session 129. On providing pay for ambassadors 173. On do. 174. On do. 176. On do. 177. On postponing the report of the secretary of the treasury 191. On

the naturalization bill 220. On do. 221. On remitting fines and forfeitures 236. On the report of the secretary of the treasury 253. On do. 259. On do. 263. On liquidating the domestic debt 284. On do. 298. On committing the Quakers petition 313. On do. 319. On do. 338. On discrimination between the public creditors 406. On funding indents 469. On assuming the state debts 475.

Sturges, mr. on the address to the president 28. On the unfinished business of last session 129. On remitting fines and forfeitures 234.

Suppositious statement of accounts between the United States and individual states 71. Statement of foreign loans and interest 72.

Sy'wesler, mr. on the naturalization bill 230. On committing the address of the people called Quakers 333.

T

Thatcher, mr. on the address to the president 28. On admitting short-hand writers to a seat within the bar of the house 110.

Tontine 92. Treasury, account of expenditures 201.

Tucker, mr. on the alteration of the journal of the house of representatives 9. On taking up the business of the last session 19. On the naturalization bill 209. On do. 217. On do. 229. On liquidating the domestic debt 305. On the slave-trade 319. On commit-

ting the address of the people called Quakers 30.

W

Wadsworth, mr. on entering a call of the house 10. On the address to the president 27. On do. 28. On referring the petition of J. Wait 188. On remitting fines and forfeitures 234. On ditto 335.

White, mr. on the call of the house being entered 10. On addressing the president 14. On committing the petition of C. Saddler 17. On the business of the last session being taken up 18. On do. 19. On do. 22. On the address to the president 28. On the unfinished business of last session 205. On admitting short-hand

writers to a seat within the bar of the house 109. On do. 112. On providing for ambassadors 115. On do. 116. On the sale of land to H. W. Dobbyn 122. On do. 126. On the unfinished business of last session 130. On do. 170. On the naturalization bill 211. On do. 215. On the enumeration bill 231. On remitting fines and forfeitures 235. On the census bill 240. On discrimination between the public creditors 284. On the slave-trade 318. What was the cause of foreigners speculating in our funds 455. Observations on permanent funds 457. On do. 459.

E R R A T A.

Page 10, line 25, for *He had*---read, *His Colleagues had*.

Page 417, line 25, for *Object*---read, *Obligation*.

BROWN'S SELF-INTERPRETING Folio Family Bible,

Embellished with a Variety of Elegant COPPER-PLATES.
(Being a genuine AMERICAN EDITION, the Largest and
Cheapest ever proposed to be Printed in the
UNITED STATES.)



P R O P O S A L S
FOR PRINTING BY SUBSCRIPTION,

By HODGE, ALLEN, and CAMPBELL, of
New-York, and will be put to the Press
on the 1st Day of June next,

T H E

H O L Y B I B L E,

Containing the Old and New TESTAMENTS,
with the Book of the APOCRYPHA.

Illustrated with NOTES and ANNOTATIONS,

Theological, Historical, Geographical, Systematical, Chronological, Biographical, Practical, Critical, Explanatory, Moral, and Divine.

Wherein all the difficult and obscure Passages will be clearly explained; the seeming Contradictions reconciled; the Mis-translations corrected; the Errors of former Writers rectified and pointed out; the Objections of Deists and Infidels answered; the Prophecies and Parables faithfully elucidated; the offices of the Jewish and Christian Churches properly investigated; every minute Circumstance of the revealed Will of God faithfully recorded; and the Whole of Divine Revelation (upon which all our Hopes of eternal Happiness depend) displayed in its original Purity, and rendered easy and profitable to every Capacity, both with respect to Faith and Practice.

Forming a Complete SYSTEM of the CHRISTIAN
RELIGION.

To which will be added, as a further Improvement,

A general Index, or Concordance, clearly pointing out every material Transaction recorded in the Sacred Writings.—A Chronological Index of Transactions from Adam to the Time of our Blessed Saviour.—An Account of the Jewish and Christian Antiquities.—An Explanation of Proper Names in the Scriptures, with their Significations, &c.—A

Geographical Index of Places mentioned in the Holy Scriptures.—An Account of the Apostles, and their Successors, who propagated the Christian Religion, by presiding over the Apostolic Churches of Antioch, Jerusalem, &c.—With many other Additions of the most important Nature, and essentially necessary to explain and illustrate the Sacred Writings, not to be found in any other Commentator on the Bible.

The Whole comprehending the most valuable TREASURY
of DIVINE KNOWLEDGE.

With practical References at the End of each Chapter, calculated to improve the Understanding purify the Heart, promote the Cause of Virtue, and guide the Reader to the Mansions of eternal Bliss.

By J O H N B R O W N, D. D.
Late Minister of the Gospel at Huddington.

CONDITIONS OF PUBLICATION.

- I. The whole of this extensive and valuable Work, will be printed in large Folio, on fine Paper, American manufacture, and on an excellent, large, and new Type, cast on purpose for this Work.
- II. It will be completed in *forty* Numbers, one of which will be printed and delivered regularly every two Weeks,—price One Quarter of a Dollar, or 25 Cents.
- III. Every other Number will be embellished with a beautiful and elegant Engraving, executed by an ingenious American Artist, illustrating some remarkable Transaction or Incident recorded in the Holy Scriptures.
- IV. That every Reader may be enabled to form a proper Judgment of the Superiority of this Work over any other Bible, the first Number may be had for Perusal; and, if it should not meet with the Approbation of the Reader, the Money shall be immediately returned.
- V. A correct List of the Subscribers Names shall be printed, and given, in the last Number.
- VI. Gentlemen who will interest themselves in procuring Subscribers, shall receive one Copy GRATIS, for every Twelve they may obtain, and Booksellers and Printers the usual Allowance.
- VII. The PUBLIC maybe assured, that the EDITORS will spare neither Expence or Attention in having the Work carefully and correctly printed: The Proof-Sheets shall not only be diligently revised and compared with various Editions of the Holy Scriptures, but also read and corrected by Clergymen of different Denominations.











